



Roseville Economic Development Authority (REDA)

Agenda

Monday, January 12, 2026

8:10 PM

City Council Chambers

In accordance with [Minnesota Statutes §13D.02](#) and City policy, Council and Commission members may attend meetings remotely up to three times per calendar year.

(Times listed are approximate – please note that items may be earlier or later than listed on the agenda)

- 8:10 p.m. **1. Roll Call**
Voting & Seating Order: Schroeder, Groff, Bauer, Strahan, and Roe
- 2. Pledge of Allegiance**
- 8:11 p.m. **3. Approve Agenda**
- 8:12 p.m. **4. Public Comment**
- 5. Business Items**
 - 8:13 p.m. a. Annual Election of Officers of the Roseville Economic Development Authority
 - 8:15 p.m. b. Recognize recipients of annual Roseville Sustainable Steward Award
 - 8:25 p.m. c. Discuss a one-time request by Twin Cities Habitat for Humanity to provide land acquisition funding related to a land trust property acquisition.
 - 8:45 p.m. d. Discussion regarding housing programs and ongoing funding
- 6. Commission Direction on Member Initiated Agenda Items**
- 7. Approval of Meeting Minutes**
- 9:30 p.m. **8. Adjourn**

REQUEST FOR COUNCIL ACTION

Date: 1/12/2026

Item No.: 5.a.

Department Approval

Janice Gundlach

City Manager Approval

Sam Truog

Item Description: Annual Election of Officers of the Roseville Economic Development Authority

Background

Minnesota State Statute 469.096, Subdivision 2 requires an Economic Development Authority to elect a President, a Vice President, a Treasurer, Secretary and an Assistant Treasurer at an annual meeting. The Roseville Economic Development Authority bylaws designate that the office of the Secretary be held by the Executive Director, who delegates duties to other City staff as needed, and the Assistant Treasurer be held by the City's Finance Director. A Commissioner may not serve as President and Vice President at the same time, but the other offices may be held by the same Commissioner. The officers elected in 2025 were:

President - Member Dan Roe
Vice President - Member Wayne Groff
Treasurer - Member Robin Schroeder
Secretary - Patrick Trudgeon
Assistant Treasurer - City Finance Director, Michelle Pietrick

Policy Objectives

The annual election of officers is required per Minnesota State Statute 469.096 Subdivision 2.

Equity Impact Summary

This is a procedural action, therefore there are no equity impacts.

Budget Implications

Not applicable

Staff Recommendations

Staff recommends Commissioners elect members for the following officer positions per Minnesota State Statute 469.096, Subdivision 2:

President
Vice President
Treasurer

The following positions are dictated by the REDA bylaws and are as follows:

Secretary - Executive Director, Patrick Trudgeon
Assistant Treasurer - City Finance Director

Requested Council Action

By motion, elect a President, Vice President, and Treasurer of the Roseville Economic Development

40 Authority.

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Prepared by: Jeanne Kelsey, Housing and Economic Development Program Manager

Attachments: 1. EDA Bylaws

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BYLAWS OF THE
ECONOMIC DEVELOPMENT AUTHORITY

ARTICLE I - THE AUTHORITY

Section 1. Name of Authority. The name of the Authority shall be the "Roseville Economic Development Authority."

Section 2. Office of Authority. The office of the Authority shall be at the City Hall in the City of Roseville, State of Minnesota, but the Authority may hold its meetings at such other place or places as it may designate by resolution.

Section 3. Seal of Authority. The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority and the year of its organization.

Section 4. Establishment. The Roseville Economic Development Authority is established pursuant to Minnesota Statutes, Section 469.090 to 469.1081, as amended (the "Act"), as memorialized in the City of Roseville Resolution Enabling the Creation of the Roseville Economic Development Authority dated November 30, 2015 and as it may be amended (the "Enabling Resolution"). The provisions of these Bylaws are intended to be consistent with the terms of the Act and Enabling Resolution, and in the case of any actual or apparent conflict, the terms of the Act and Enabling Resolution shall control.

ARTICLE II - THE COMMISSIONERS

Section 1. Appointment, Terms, Vacancies, Pay, and Removal. Shall be in accordance with the Enabling Resolution.

ARTICLE III - THE OFFICERS

Section 1. Officers. The Authority shall elect a president, a vice president, a treasurer, a secretary, and an assistant treasurer at the annual meeting. A commissioner must not serve as president and vice president at the same time. The other offices may be held by the same commissioner. The offices of secretary and assistant treasurer need not be held by a commissioner.

Section 2. President. The President shall preside at all meetings of the Authority. Except as otherwise authorized by resolution of the Board of Commissioners, the President and the Executive Director (the Assistant Treasurer, in the Executive Director's absence or incapacity) shall sign all contracts, deeds, and other instruments made or executed by the Authority, except that all checks of the Authority shall be signed by the President and Assistant Treasurer. At each meeting the President shall submit such recommendations and information as he or she may consider proper concerning the business, affairs, and policies of the Authority.

Section 3. Vice President. The Vice President shall perform the duties of the

President in the absence or incapacity of the President, including signing all contracts, deeds, and other instruments executed by the Authority; and in the case of the resignation or death of the President, the Vice President shall perform such duties as are imposed on the President until such time as the Board shall select a new President.

Section 4. Secretary. The Secretary shall keep minutes of all meetings of the Board and shall maintain all records of the Authority. The office of Secretary shall be held by the Executive Director, who may delegate duties to other City staff as required.

Section 5. Treasurer's Duties. The Treasurer:

- (1) shall receive and is responsible for Authority money;
- (2) is responsible for the acts of the Assistant Treasurer;
- (3) shall disburse Authority money by any Authority-approved method, including without limitation check, wire transfer, or credit card;
- (4) shall keep an account of the source of all receipts and the nature, purpose, and authority of all disbursements;
- (5) shall file the Authority's detailed financial statement with its Secretary at least once a year at times set by the Authority; and
- (6) shall prepare and submit an annual report describing the Authority's activities and providing an accurate statement of its financial condition to the City of Roseville.

All duties of the Treasurer shall be performed in accordance with the Enabling Resolution and the provisions of Section 469.100 of the Act.

Section 6. Assistant Treasurer. The Assistant Treasurer has the powers and duties of the treasurer if the treasurer is absent or incapacitated. The City Finance Director shall be designated as Assistant Treasurer of the Authority.

Section 7. Public Money. Authority money is public money.

ARTICLE IV - EXECUTIVE DIRECTOR

As provided in the Enabling Resolution, the City Manager shall be designated as Executive Director of the Authority.

Section 1. Duties. The Executive Director shall have general supervision over the administration of the Authority's business and affairs subject to the direction of the Authority. The Executive Director in his or her own name and title shall keep the records of the Authority, shall act as recorder of the meetings of the Authority and record all votes, and shall keep record

of the proceedings of the Authority in a journal of proceedings to be kept for such purpose, and shall perform all duties incident to the office. Except as otherwise authorized by resolution of the Board of Commissioners, the Executive Director shall, with the President, sign all contracts, deeds, and other instruments executed by the Authority. The Executive Director shall keep in sole custody the seal of the Authority and shall have power to affix such seal to all contracts and instruments authorized to be executed by the Authority.

Any person appointed to fill the office of Executive Director, or any vacancy herein, shall have such terms as the Authority fixes, but no commissioner of the Authority shall be eligible to serve as the Executive Director.

ARTICLE V - MEETINGS

Section 1. Regular Meetings. Regular meetings shall be held pursuant to the calendar of meetings set by the Authority at its final meeting of the year preceding each such calendar.

Section 2. Annual Meeting. The annual meeting of the Authority shall be held at the regular meeting place of the Authority on the date of the first regular meeting of the Authority, pursuant to the calendar established as described in Section 1.

Section 3. Special Meetings. Special meetings of the Authority may be called by the President, two members of the Authority, or the Executive Director for the purpose of transacting any business designated in the call. All commissioners of the Authority shall be notified.

Section 4. Quorum. At any meeting of the Authority, the presence of three commissioners shall constitute a quorum. If a quorum is not present at any meeting, those present shall have power to adjourn the meeting from time to time without notice other than announcement at such meeting until the requisite number of votes shall be present to constitute a quorum. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. Any resolution, election, or other formal action of the Authority shall be adopted upon the affirmative vote of a majority of the Authority membership.

Section 5. Rules of Procedure. Unless otherwise specified in the Enabling Resolution or in these bylaws, all meetings of the Authority shall be conducted in accordance with Rosenberg's Rules of Order.

Section 6. Manner of Voting. The voting on all questions coming before the Authority shall be voice unless the President calls for a roll call vote. The yeas and nays shall be entered upon the minutes of such meetings.

ARTICLE VI - EMPLOYEES; SERVICES; SUPPLIES

Section 1. Employees. Subject to limits set by the appropriations or other funds made available, the Authority may employ such staff, technicians, and experts as may be deemed proper and may incur such other expenses as may be necessary and proper for the conduct of its

affairs.

Section 2. Contract for Services. The Authority may contract for services of consultants, agents, public accountants, and other persons needed to perform its duties and exercise its powers.

Section 3. Legal Services. The Authority may use the services of the city attorney or hire a general counsel for its legal needs. The city attorney or general counsel, as determined by the Authority, is its chief legal advisor.

Section 4. Supplies. The Authority may purchase the supplies and materials it needs to carry out its function pursuant to Minnesota Statutes, Sections 469.090 to 469.1081.

Section 5. City Purchasing. The Authority may use the facilities of its city's purchasing department in connection with construction work and to purchase equipment, supplies, or materials.

Section 6. City Facilities, Services. The City may furnish offices, structures and space, and stenographic, clerical, engineering, or other assistance to the Authority.

Section 7. Delegation Power. The Authority may delegate to one or more of its agents or employees powers or duties as it may deem proper.

ARTICLE VII - POWERS

Section 1. Functions, Powers, and Duties. Shall be in accordance with the Enabling Resolution.

Section 2. Limitations of Power. Shall be in accordance with the Enabling Resolution.

ARTICLE VIII - AMENDMENTS

Section 1. Amendment to Bylaws. The bylaws of the Authority shall be amended by a majority vote of the Authority membership at a regular or special meeting. The amendments must be in written form.

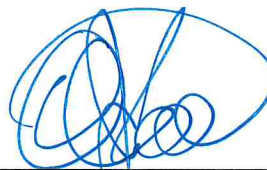
Section 2. Conflicts. In any instance where these bylaws are in conflict with the Enabling Resolution, the Enabling Resolution shall control.

Section 3. Effective Date. These bylaws are effective upon their adoption by the Authority.

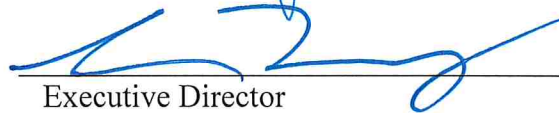
Dated: January 9, 2017.

(Seal)

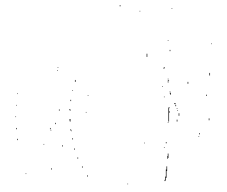
Signed:

A blue ink handwritten signature, appearing to be "J. B. Smith", written over a horizontal line.

President

A blue ink handwritten signature, appearing to be "K. J. Smith", written over a horizontal line.

Executive Director



REQUEST FOR COUNCIL ACTION

Date: 1/12/2026

Item No.: 5.b.

Department Approval



City Manager Approval



Item Description: Recognize recipients of annual Roseville Sustainable Steward Award

Background

In 2022, the Roseville Economic Development Authority (REDA) and Public Works staff worked together to revise the Roseville Green Award program to make the application process less daunting for interested parties to apply (Attachment 1) and re-branded the program as the Roseville Sustainable Steward Award. Marketing efforts have continued through the Roseville newsletter, social media, and direct contact with businesses and residents where possible. In addition, staff identified potential projects and did a direct mailing through building permit requests. In 2025, a total of fifteen applications were received from residents that had completed sustainable improvements in 2025. Many of the applicants have been working on sustainable efforts over the past several years, including completion of an energy audit in conjunction with commencing any major improvements, including solar, heat pumps, tankless water heaters, landscaping improvements, etc. Staff was very excited to see so many great sustainable efforts by residents and businesses of Roseville.

Based on the applications received and the work that was conducted, staff has identified three recommendations for financial awards, which are listed below:

Gold Award of \$500: James and Kirsten McKone, 2976 Patton Road

Since moving to Roseville in July 2025, James and Kirsten completed a Home Energy Squad audit in August, and then went on to follow their recommendation to install an air-source heat pump and a smart thermostat in October 2025. In addition, they made the switch to using electric lawn care equipment, and added treatments to their exterior windows to prevent bird strikes. They drive one electric/hybrid vehicle, and replace car trips with walking or biking when possible.

Silver Award of \$250: Kevin Krause, 2339 Auerbach Avenue

Kevin completed a Home Energy Squad visit in March 2025, and based on their recommendations, completed an attic insulation and air sealing project in December 2025. He also recently reduced the turf coverage in his yard and planted a pollinator garden in 2024, and takes his organic waste and food scraps to the organics drop site on Dale Street (see pictures in Attachment 2).

Bronze Award of \$100: Anna Fu and Will Bockenkamp, 257 McCarrons Place

She and her neighbors applied for a Lawns to Legumes grant to mitigate erosion and remove invasive species along the Lake McCarrons shoreline, and planted 128 native plants to provide forage for pollinators and stabilize the shoreline area. They also added insulation to their garage and attic, installed rooftop solar in 2025, and have many sustainable practices around their homes to reduce or eliminate plastic usage and waste (see pictures in Attachment 3).

The President of the REDA should recognize and present each of the parties a certificate and check.

The following remaining applicants are recommended to receive window clings and/or a yard sign naming them as a Roseville Sustainable Steward:

Kerry Wang and Shara Mafiz, 1178 County Road B
Jennifer J. Mehmel and Sixto Guiang, 2916 Hillsview
Steve and Susan Morley, 574 Shryer Avenue
Kathryn Davis, 721 Eldridge Avenue
Marty McKusker and Steve Shuman, 793 Millwood Avenue
Amy Kay Kerber and Eli Sagor, 990 Lydia Drive
Daniel Garnaas and Mary Halvorsen, 1210 Josephine Road
Amanda Ressler, 1788 Chatsworth Street
Gail and Neil Olszewski, 1952 Tatum Street
Larina Dewalt, 2536 Millwood Street
Dale Spoolhoff, 2619 Rosetown Court
Gwen Leifeld and Matt Sell, 3982 Avon Street

Public Works and REDA staff will be in attendance to help answer any questions regarding the program and the projects staff have recommended for recognition.

Policy Objectives

As a community, Roseville aspires to be a community that treasures and preserves natural areas and open space and prioritizes environmental conservation and sustainability. The Roseville Sustainable Steward Award supports the City's parks and natural environment strategic priority. This recognition award advances the City's desired impact of preserving, maintaining and enhancing natural resources and aligns with the goal of Roseville's natural environment is actively protected and restored. The Sustainable Steward Award supports this goal by contributing to the following success indicators: City programs and regulations support community members in their efforts to maintain, protect and restore the environment, and residents and stakeholders are empowered to preserve and restore Roseville's natural resources.

Equity Impact Summary

There are no identified equity impacts related to this request.

Budget Implications

The REDA budgets \$850 annually to recognize sustainability efforts through the Sustainable Steward award.

Staff Recommendations

Staff recommends the REDA recognize the following residents/properties with a Roseville Sustainable Steward financial award:

- Gold Award of \$500: James and Kirsten McKone, 2976 Patton Road
- Silver Award of \$250: Kevin Krause, 2339 Auerbach Avenue
- Bronze Award of \$100: Anna Fu and Will Bockenkamp, 257 McCarrons Place

Requested Council Action

By motion, recognize the listed properties with the Gold, Silver and Bronze Sustainability Steward financial awards for 2025.

Prepared by: Jeanne Kelsey, Housing & Economic Development Program Manager
Noelle Bakken, Sustainability Specialist

- Attachments:**
1. Sustainable Steward Application
 2. Photos - 2339 Auerbach Avenue
 3. Photos - 257 McCarrons Place

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Roseville Sustainable Steward Application

Date: _____

Applying as: ☐ Resident ☐ Business

Name or Business: _____

Property Address: _____

Phone number: _____

Email address: _____



If the applicant is a builder, landscaper, or contractor, please complete the following:

Contractor Name: _____

Contractor Address: _____

Contractor Phone Number: _____

Contractor Email address: _____

Completing on behalf of: ☐ Resident ☐ Business

The Roseville Sustainable Steward program is funded and supported by the City of Roseville, and is intended to recognize and reward residents and businesses for incorporating sustainability and energy efficiency best practices in the City of Roseville.

Your actions or project may be eligible for our Sustainable Steward Annual Award, at the gold (\$500) silver (\$250) or bronze (\$100) level! To be considered, applications must be submitted on or before December 31st. Winning residents, buildings, or properties will be highlighted by the City of Roseville.

Application Guidelines:

- A property is eligible for only one Sustainable Steward Award.
- Properties must be in full compliance with City ordinances and codes and have all required permits.
- All Annual Award winners must agree to allow pictures of their home or business, including the address, displayed by the City of Roseville.
- A contractor may submit an application, but the homeowner or business owner must also agree to all contest requirements.
- Applications for the Annual Award are due by December 31 (postmarked); winners are notified in mid-January.
- Properties that use a combination of the following best practices will rank higher:
 - ✧ Energy Efficiency ✧ Water Conservation ✧ Indoor Environmental Quality
 - ✧ Site and Community Impact ✧ Renewable Energy
- **Applicant does not need to meet all criteria listed in application.**

Application Instructions:

- If the application is submitted by a builder or landscaper, the homeowner or business owner must also sign the application indicating they comply with all contest requirements.
- All applications must include "Before" and "After" images. Please attach images as well as any additional pages needed to describe improvements.

ATTACHMENT 1

Please indicate which of the following example sustainable actions you have taken, or use the "Other" box on the next page to provide details about actions not represented in these lists. There is no minimum number of activities or requirement to do things in multiple categories to earn recognition.

Community involvement

- ☐ Volunteer at city sustainability/park events (Event & Date: _____)
- ☐ Serve on a sustainability-related church or volunteer service group (Name of group or committee: _____)
- ☐ Adopt a Storm Drain (Location: _____)
- ☐ Other: _____

Energy Efficiency

- ☐ Have a Home Energy Squad (residents) or Energy Smart (businesses) audit completed Date: _____
- ☐ Complete a recommended energy project following an energy audit Date: _____
- ☐ Complete a home/building insulation project Date: _____
- ☐ Install a programmable and/or smart thermostat Date: _____
- ☐ Replace an inefficient appliance with an Energy Star rated appliance Date: _____
- ☐ Air-source or ground-source heat pump installed to replace or augment a gas furnace Date: _____
- ☐ Other: _____

Renewable Energy

- ☐ Subscribe to at least 50% of your energy usage from renewable energy (WindSource®, Renewable*Connect®, or Solar*Rewards Community®): Date subscribed: _____
- ☐ Install rooftop or ground-mount solar panels Date: _____ kW installed _____
- ☐ Battery backup/storage installed Date: _____
- ☐ Geothermal system installed Type: _____ Date: _____
- ☐ Other: _____

Responsible and pollinator-friendly lawn care/landscaping

- ☐ Switch to electric lawn care equipment Date: _____
- ☐ Plant a pollinator garden Date: _____
- ☐ Native and climate-appropriate plantings used in new landscaping Date: _____
- ☐ Replace or reduce turf coverage Date: _____
- ☐ Alternatives to herbicides and pesticides are used in yard maintenance
- ☐ Large exterior windows or doors are treated with bird-safe coatings, etchings, window clings, etc.
- ☐ Other: _____

Water savings and stormwater management

- ☐ Dual flush or low-flow (WaterSense labeled) toilets installed Date: _____
- ☐ Tankless water heater installed Date: _____
- ☐ Install a rain barrel or other rainwater harvesting system Date: _____
- ☐ Install a rain garden Date: _____
- ☐ Install a smart irrigation system controller Date: _____
- ☐ Reduced impermeable surfaces on the site with permeable materials (pavers, etc.) Date: _____
- ☐ Other: _____

Transportation

- ☐ Drive an electric or hybrid vehicle
- ☐ Bike, walk, or take transit to replace a regular car trip
- ☐ Install an EV charging station Date and charge level: _____
- ☐ Other: _____

Recycling

- ☐ Recycle organic waste/food scraps (Location: _____)
- ☐ Backyard/home compost system (residents) or provide labeled onsite organics disposal (businesses)
- ☐ For large remodel projects, deconstruction techniques were used to salvage materials suitable for reuse
- ☐ Other: _____

For businesses – sustainable business practices:

- ☐ Incentivize green practices for customers (reusable bags, paperless billing, etc.) Please specify: _____

- ☐ (Restaurants) Compostable and/or recyclable takeout containers used
- ☐ Food scrap and organic waste receptacles are available on-site and clearly labeled
- ☐ Phone/web conferences used in place of face to face meetings
- ☐ Bicycle racks or secure bicycle parking is available for employees and customers
- ☐ EV or hybrid vehicles used for company fleet
- ☐ Two-sided printing is the default
- ☐ Company has a “green committee” to involve employees
- ☐ Company is a certified B-corporation
- ☐ Sponsor, host, or donate in-kind services or products to community organizations/events. Please specify: _____

- ☐ Other: _____

Section for additional comments/narrative

Applicant Signature: _____ **Date:** _____

Award preference: ☐ Window Cling ☐ Yard Sign

Would you be willing to have your property or project featured on a map, tour, and/or in City News? (We would contact you prior to any mention on our website, news, or otherwise.) ☒ Yes ☐ No

Applications may be mailed or electronically submitted to:

City of Roseville – Sustainable Steward Award
Attn: Community Development
2660 Civic Center Drive
Roseville, MN 55113

OR

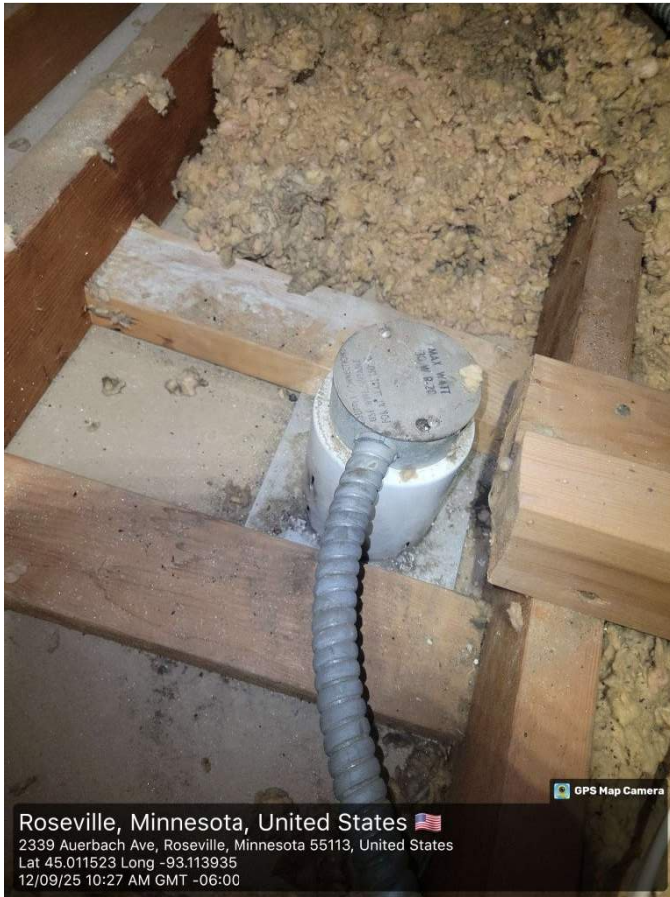
eda@cityofroseville.com

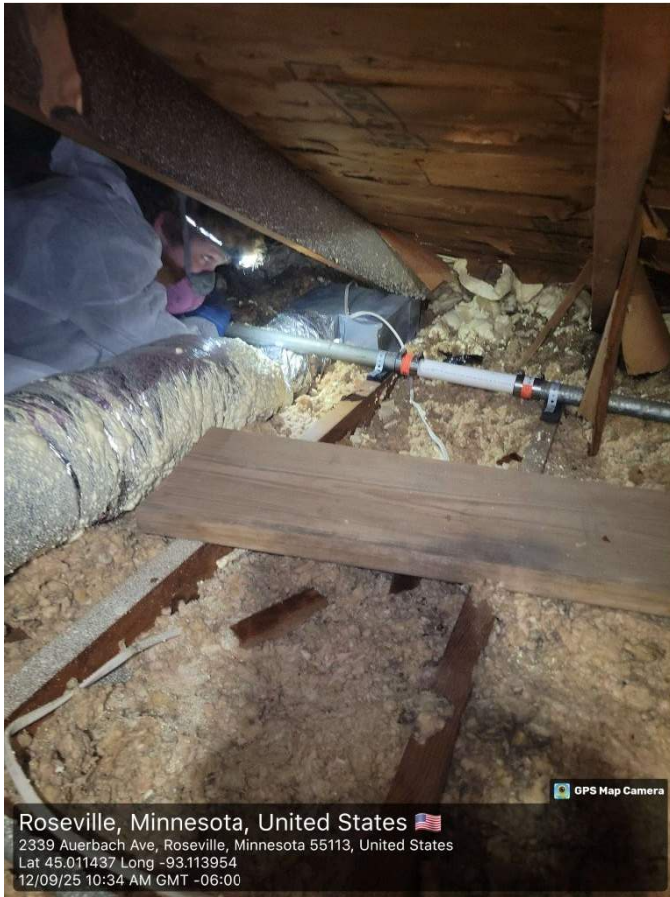
Questions?

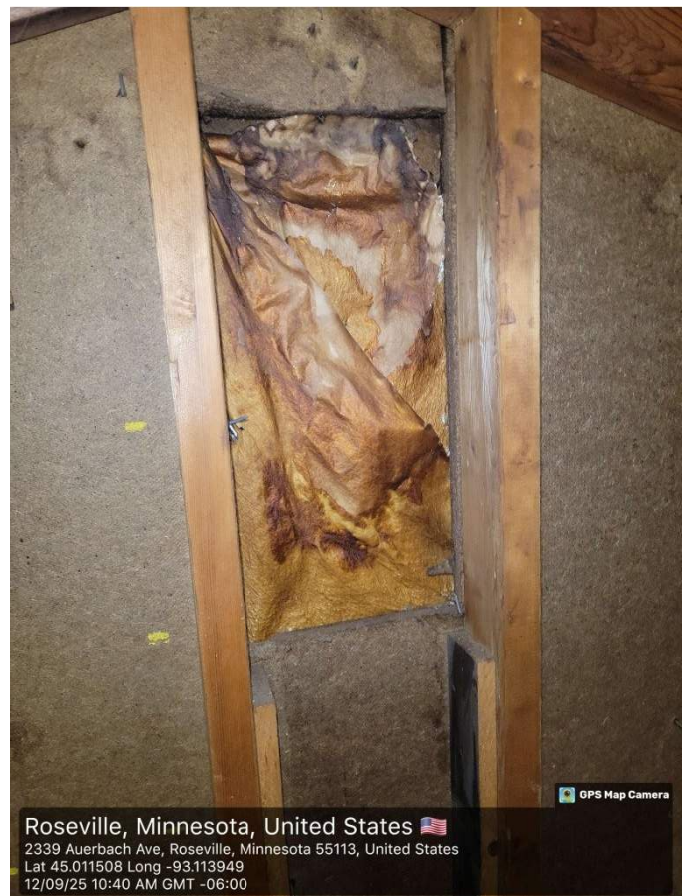
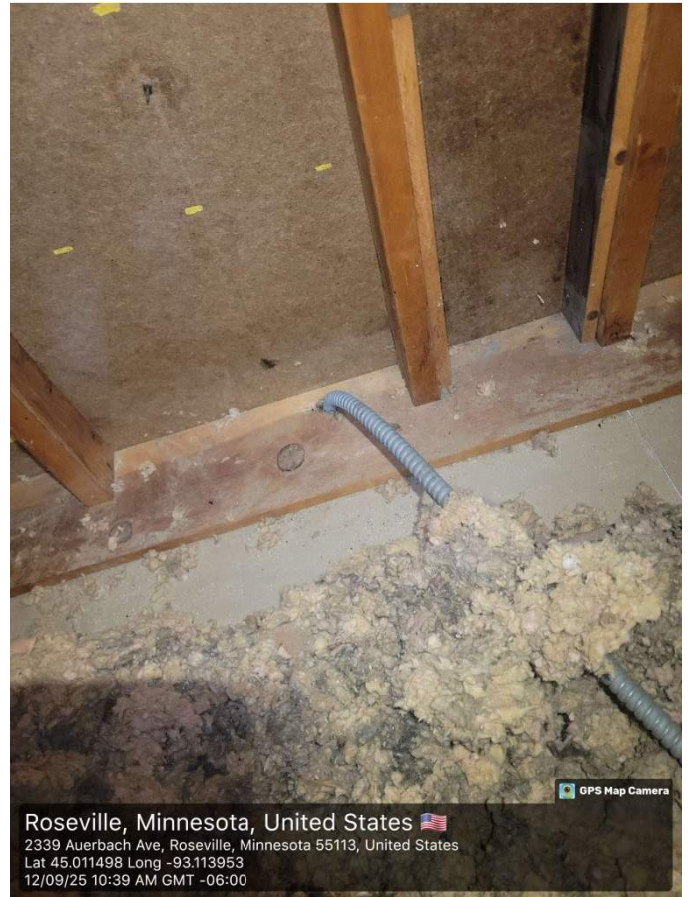
Call: 651-792-7015

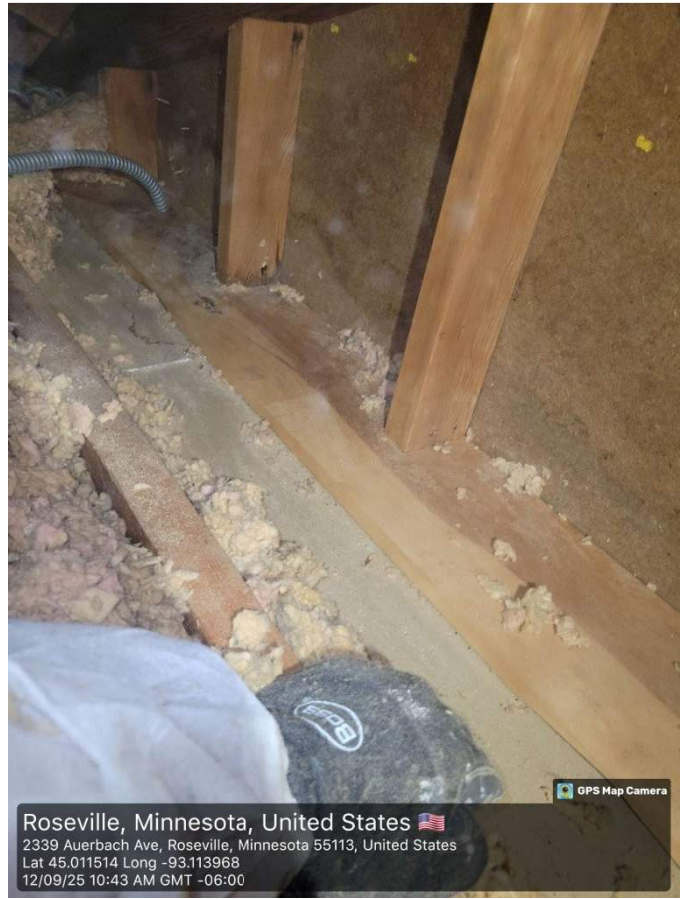
Email: eda@cityofroseville.com

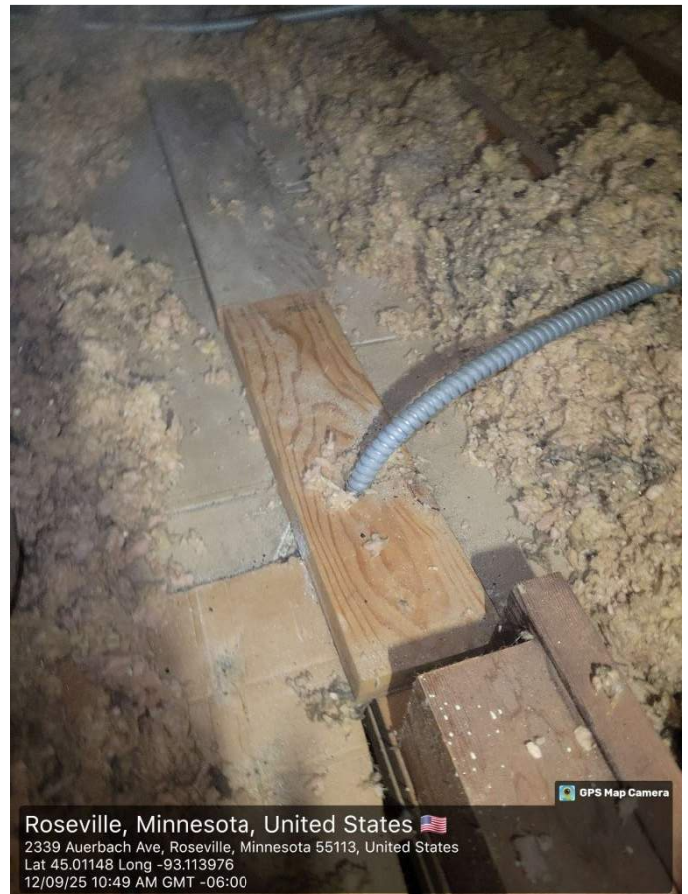
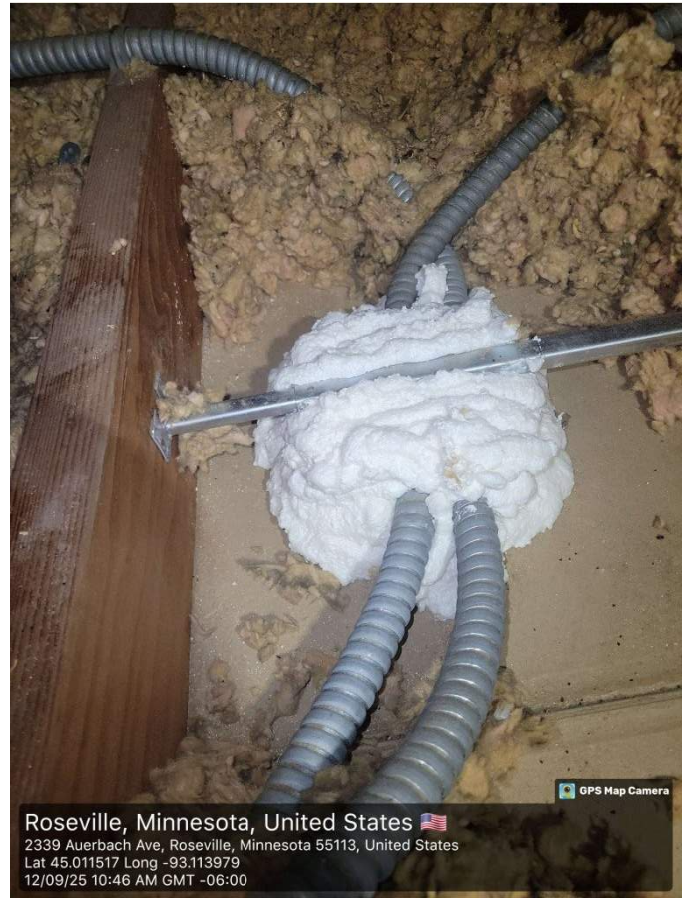


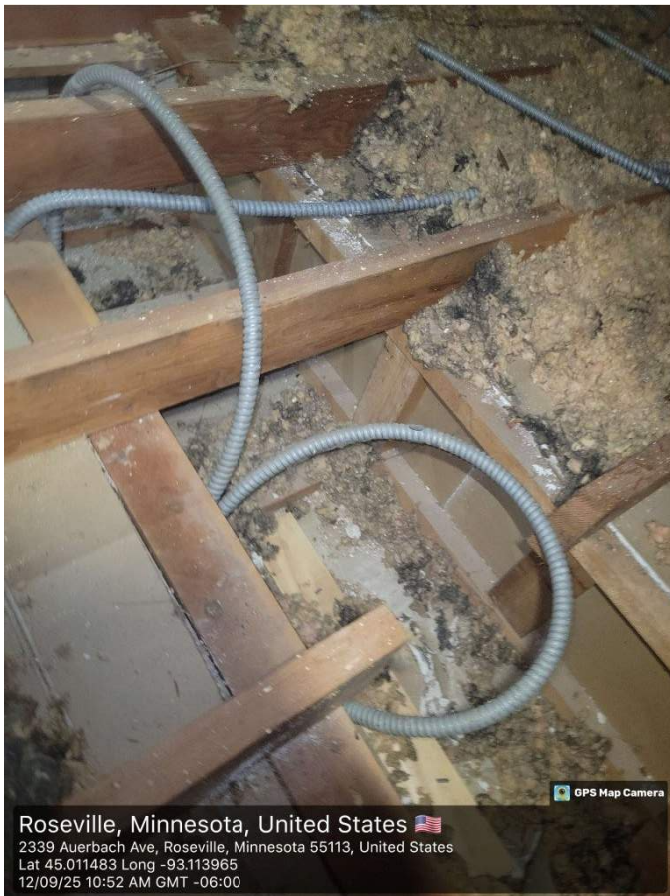
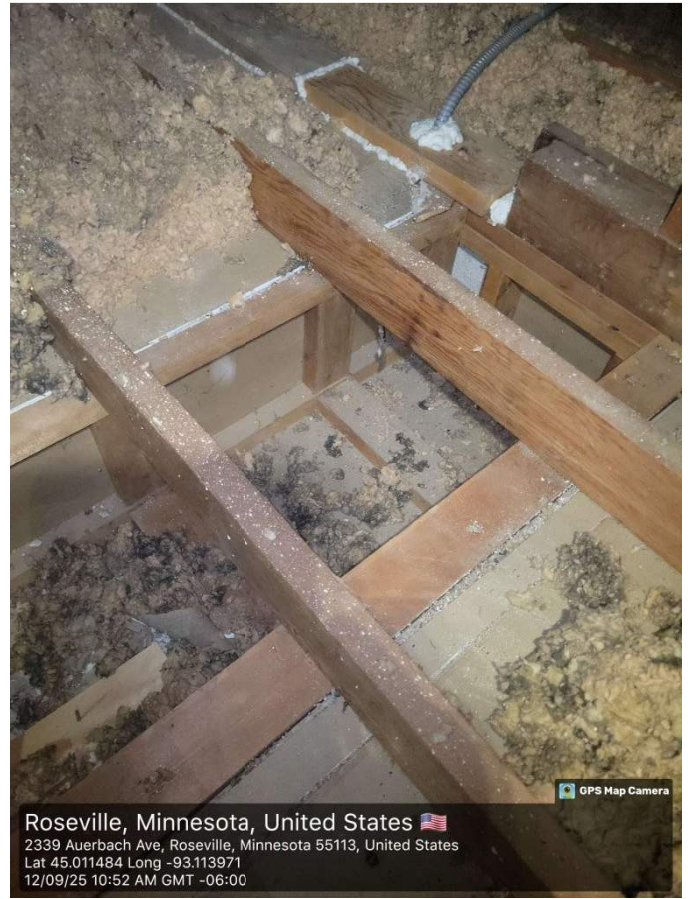


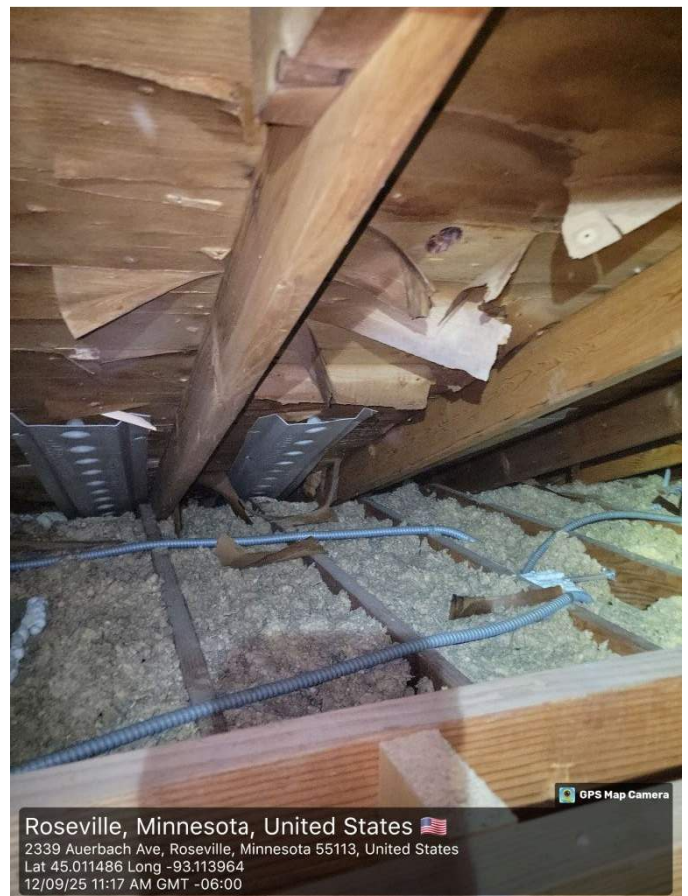
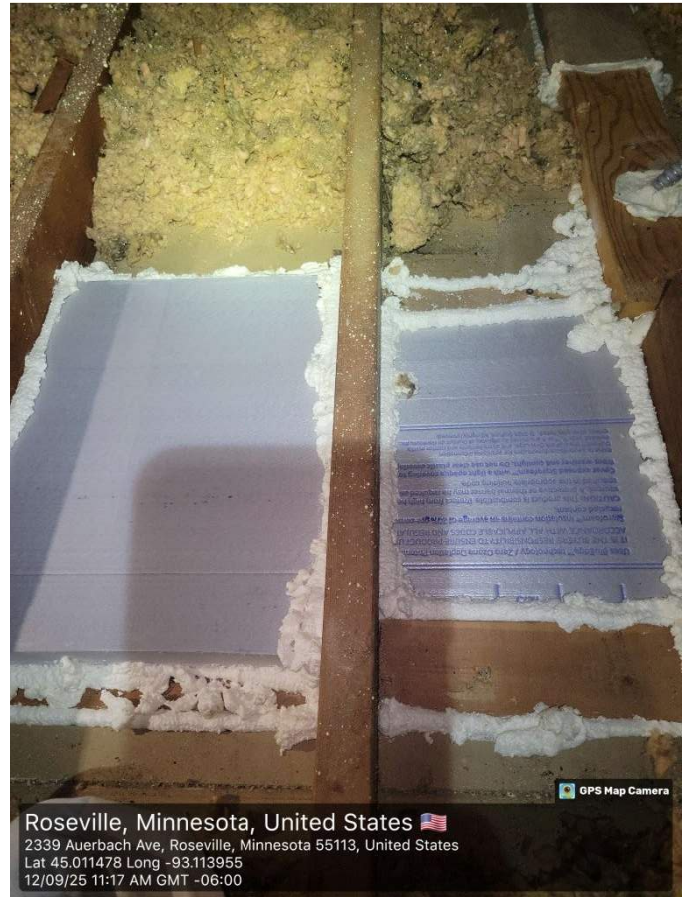


















Garage door insulation

SOLAR INC

Name _____

Medic _____

atus _____

Status Date _____ Action By _____

Category _____

Construction Plans _____

Document _____

Description _____

building plans _____

material specs _____

Type _____

application/pdf _____

application/pdf _____

De _____

Up _____

Up _____

ork Valuation _____

00 _____

Size of Solar Array (kW) _____

3.8 _____

ssued Date _____

Permit Expiration Date _____

Status _____

Comments _____

Status _____

Comments _____

Date _____

Status _____

Apply Date _____

Severity _____

Action By _____

Size of solar array

-0280

Reports **Help**

File Date: 03/31/2025

Initiated by Product: ACA

Address: 257 McCarrons Pl W Roseville MN 55113

Application Status: Submitted

Application Type: Solar/Renewable Energy

Description of Work: 10 panel flush roof mount PV solar install on the re

Project Name:

Contact Info:	Contact Type	Organization Name
	Applicant	<u>All Energy Solar</u>

Licensed Professionals:	Primary	License Type	Licen
		Contractor	<u>BC66</u>

Parcel No: 132923440040

Owner Name: ANNA FU TR

Owner Address: ROSEVILLE, MN 55113

Workflow Status:	Task	Assigned
	<u>Application Submittal</u>	Xao Vang
	<u>Building Review</u>	Gerry Pro

Description of solar array



Solar Panels





Before native planting







After planting native plants



Food scraps recycle to be dropped off at the food waste dumpster at Maplewood YMCA







Minimize cling wrap



Instead of dryer. air dry cloths



Use rags instead of paper towels

REQUEST FOR COUNCIL ACTION

Date: 1/12/2026

Item No.: 5.c.

Department Approval



City Manager Approval



Item Description: Discuss a one-time request by Twin Cities Habitat for Humanity to provide land acquisition funding related to a land trust property acquisition.

Background

Twin Cities Habitat for Humanity (TCHFH) has a purchase agreement with Covenant Church to acquire land the church recently subdivided and offered for sale (see Attachment 1). The land is zoned low to medium density residential, which, based on the size of the parcel, could accommodate three new-construction homes.

Originally, a grant that was applied for and received from Ramsey County that was going to be used to acquire the property. At the time the grant request was made, staff and TCHFH were under the impression acquisition alone would not trigger prevailing wage requirements. However, upon review of the grant agreement and seeking further clarification from the County, they have concluded prevailing wages will apply. After discussions with TCHFH, they have indicated they would not be able to meet the prevailing wage requirement for the construction of only three homes. And while this would normally not be problematic as the grant funds could be administered via Down Payment Assistance (DPA), the homes can not be constructed within the timeline the grant funds must be expended.

For these reasons, TCHFH is requesting the REDA consider providing \$197,000 in upfront funds to acquire the land. This would be a one-time request and not otherwise change the already established guidelines of the REDA and TCHFH partnership.

This acquisition would accommodate development of 3 homes (one twin & one single) and while our partnership with Habitat supports a city contribution of \$80,000/unit (or \$240,000 for 3 units), Habitat can achieve affordability with a city contribution of less than customary at \$197,000 or \$65,667 per home. Staff is bringing this request forward as this acquisition is unique due to the fact that it's for vacant land, its location is conducive to housing Habitat wishes to develop, the underlying zoning of the parcel and surrounding parcels provide a synergy that doesn't exist with typical scattered site acquisitions, and the visions of the seller and buyer are aligned. This would also be the first opportunity to provide an affordable homeownership opportunity within the Mounds View School District.

If the REDA is agreeable to providing one-time, up-front funding for this land acquisition, as opposed to funding at the time a family closes on a home, a discussion about what funds to use is necessary. At the time this program was created, the REDA agreed to fund the properties using four different types of funds: fund 720 (Housing Replacement), fund 721 (CDBG), affordable housing TIF, and ARPA. Up until now, these funds or other grants have been sufficient funding for the homes acquired through our partnership. However, based on properties already in the pipeline and not being able to be funded with grant funds (either because they were acquired by Habitat before the grants were awarded or because of the prevailing wage issue), the balance in funds 720 and 721 will be extinguished by next summer. There also isn't sufficient affordable housing pooling TIF at this time and ARPA funds have been fully extinguished. If the REDA is in support to provide acquisition funding, staff would recommend utilizing Local Affordable Housing Aid (LAHA). It has been determined by the REDA attorney, Rachel Tierney

that LAHA funds could be used to acquire the land as this request differs from the current Land Trust Program with Habitat, where funds are provided at the time the end-use buyer closes on the home.

If the REDA wishes to accommodate this request, the reasons and conditions would be memorialized in an agreement that would be brought forward for consideration at another date. Jessica Coyle from TCHFH will be at the meeting to address any questions the REDA has with regard to the land purchase assistance.

Policy Objectives

The REDA's role is to coordinate and administer housing, economic development and redevelopment efforts for the City of Roseville. Funding this affordable housing acquisition request would support the City's economic vitality strategic priority as it aligns with the goal of providing housing types and programs that contribute to the economic success across all income levels and contributes to the following success indicators: residents feel safe, secure, and stable in their housing and residents are not cost-burdened by their housing.

Equity Impact Summary

Establishment of the Community Land Trust partnership with TCHFH was in an effort to create and maintain affordable homeownership opportunities, ensuring Roseville offers a wide range of housing types for people at all income levels.

Budget Implications

There are no budget implications. Should the REDA wish to fund this request, staff is recommending the use of LAHA funds. The City has accrued approximately \$775,000 of LAHA and has not yet officially programmed any of these funds.

Staff Recommendations

Provide direction to staff on support of the request from TCHFH to provide one-time upfront funding in the amount of \$197,000, utilizing Local Affordable Housing Aid, for the land acquisition project with Covenant Church.

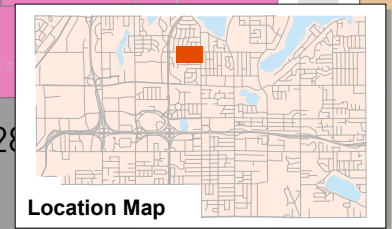
Requested Council Action

Provide direction to staff on support of the request from TCHFH to provide one-time upfront funding in the amount of \$197,000, utilizing Local Affordable Housing Aid, for the land acquisition project with Covenant Church.

Prepared by: Jeanne Kelsey, Housing and Community Development Program Manager

Attachments: 1. Map

Attachment 1



 MU-1 - Neighborhood Mixed Use
 MU-2B - Community Mixed Use-B
 PR - Parks and Open Space
 INST - Institutional

For further information regarding the contents of this map contact:
City of Roseville, Community Development Department,
2660 Civic Center Drive, Roseville MN



REQUEST FOR COUNCIL ACTION

Date: 1/12/2026

Item No.: 5.d.

Department Approval

Janice Gundlach

City Manager Approval

Samir Truoglu

Item Description: Discussion regarding housing programs and ongoing funding

Background

The Roseville Economic Development Authority (REDA) manages and funds several housing programs. Some of these programs, and most of their funding, originated with Roseville's former Housing and Redevelopment Authority (HRA), which was converted to an Economic Development Authority in 2016. Since the HRA was converted to the REDA, staff has brought forward various discussions related to modification of existing programs, creation of new programs, and how to provide ongoing funding. May 15, 2023 was the most recent REDA discussion and action related to replenishment of funds for various home loan programs (see meeting minutes in Attachment 1). These funds are nearly exhausted and additional funding must be identified if the REDA wishes to continue these programs. The purpose of this discussion is to outline the housing programs offered, available funding, future funding, and whether to modify certain programs. Additionally, the City is now receiving Local Affordable Housing Aid (LAHA), which is a funding source for certain housing initiatives. State law outlines how LAHA funds may be used and staff is requesting feedback from the REDA on how to program these funds. This will require a follow-up discussion but is important contextual information when making decisions about continual funding of existing programs.

Staff would also note that the REDA funds a Small Business Loan program (Fund 726). The balance in this fund is sufficient to fund multiple loans and, given the frequency with which these loans are made, additional funding likely won't be needed for several years. Of course, the REDA could always decide to terminate this program and allocate these funds to other efforts. Given the REDA has noted concerns about the balances of various REDA-managed funds, staff wanted to note the existence of the Small Business Loan program and the balance in this fund, but has not otherwise provided any analysis of this program in the materials provided herein.

Available Housing Programs

The REDA manages and funds six different programs that target specific housing efforts. The spreadsheet in Attachment 2 outlines the program, dates of adoption and/or last reviewed by the REDA, the funds that have been used to support the program, the value of the loans that are outstanding (if applicable), to-date repayment amounts (for those programs that are not deferred), and what remains in the budget that was last set by the REDA in May of 2023. The programs are as follows:

1. Energy Efficiency (advisor visits, energy squad visit, energy audit, sustainable steward)
2. Revolving Loan
3. Senior Deferred Loan
4. First Generation Down Payment Assistance Deferred Loan
5. Emergency Deferred Loan
6. Manufactured Home Loan

The REDA funds three different professional services efforts with the Center for Energy & Environment related to homeownership advisory and energy efficiency efforts (energy squad & energy audit). These

efforts are funded annually via the levy.

The Roseville Revolving loan and Manufactured Home loan programs are the only loan programs that do not defer repayment to a sale or refinance. The Roseville Revolving loan program is currently realizing approximately \$9,500 in monthly repayments. The Manufactured Home loan program has not originated any loans since it was created. The most utilized loan programs are the Roseville Revolving loan, the Senior Deferred loan, and the First Generation Down Payment Assistance program, the latter of which is out of funding. The Emergency Deferred program has done two loans and has budget remaining. No money has been levied to support these loan offerings since 2014, although fund balance from fund 725 (EDA Operating Fund) has served as replenishment funds. Additional funding will need to be identified if the REDA wishes to continue all the current loan programs.

Community Land Trust (CLT) Partnership w/Habitat for Humanity

In 2021, the REDA established a partnership with Habitat for Humanity to provide affordable homeownership opportunities in Roseville. This effort evolved following the REDA's investments in the creation of affordable rental housing in 2019-2020 and a desire to focus on ownership units versus rental units moving forward. The program guidelines include an investment by the REDA of up to \$80,000 per home (additional funding from grant agencies allows contributions to exceed \$80,000), ensuring affordability for at least 99 years. While \$80,000 per home may seem expensive, the per-year investment by the REDA to ensure long-term affordability equates to \$808. The funds used for this program include funds the HRA levied for housing replacement in 2014 and grant funds. No REDA levy money has supported this program.

The properties acquired through the program are spread throughout the City and not limited to a single geographic area. Habitat acquired a vacant lot on Victoria Avenue (which now supports a twin home) through a traditional sale, but all other properties in the trust were acquired by mission-driven sellers or sellers who could not afford the investments realtors recommended in order to ready the home for the open market and instead sold directly to Habitat, forgoing listing on the Multiple Listing Service.

The program has been so popular that the maximum of four homes a year has been realized, and additional funding will need to be identified if the REDA wishes to continue this partnership. Attachment 3 outlines total funding and the number of homes in the trust and/or in the pipeline.

REDA Funds

There are several funds managed by the REDA, which are outlined in the table below:

Fund	Use & Background	Cash Balance (as of 1-5-2026)
<i>720 Housing Replacement</i>	HRA funds that have been programmed for the CLT partnership. Funds will be fully exhausted once the properties in the pipeline w/Habitat are finished and sold.	\$241,873
<i>721 Community Development Block Grant</i>	Community Development Block Grant (CDBG) funds acquired by the former HRA and allocated to the CLT partnership. Can only be spent on housing-related activities and will be fully exhausted once the properties in the pipeline w/Habitat are finished and sold.	\$235,172
<i>722 Property Abatement</i>	Original HRA levy funds used for property abatements in accordance with City Council authorization. Fund is replenished when property owners pay abatement invoices or through tax settlements of unpaid abatement invoices that are assessed.	\$123,194

723 <i>Housing & Redevelopment</i>	HRA levy funds that have been recycled to fund the housing programs described herein.	\$308,797
724 <i>Multi-Family</i>	HRA funds levied to support rehab loans to multifamily rental properties. These funds can/have been repurposed for other EDA activities, including housing programs. These funds are not wholly unrestricted given they originated with the HRA and the EDA attorney should be consulted before reprogramming. However, prior determinations have concluded these funds are available to fund housing and development/redevelopment activities, but not general EDA operations.	\$1,044,297
725 <i>EDA Operating</i>	EDA operating fund, which is funded solely by the tax levy. Since 2019, levy reductions have totaled \$98,544. Fund balance has been used to replenish funds for the housing programs that are currently offered. Fund balance was also used to reduce the 2026 levy by \$100,000. Regarding existing housing programs, the EDA levy includes \$36,850 of funding annually for professional services to CEE for loan administration, home advisor visits, energy audits and energy squad visits, and the Sustainable Steward recognition program.	\$603,815 (or \$376,126*) *\$100,000 has already been allocated to fund 2026 operations, a minimum of \$127,689 (35% of annual budget) must be maintained in reserves in accordance with the City's Operating Fund Reserve Policy, 2025 year-end payroll is not complete.
726 <i>Business Loans</i>	Small Business loan fund was established in 2020 and has not had levy support since 2024.	\$232,933
727 <i>Southeast Roseville</i>	Rice & Larpenteur Alliance fund. This fund includes REDA money, as well as money from the cities of Maplewood and St. Paul. Contractually, this money is not available for use beyond paying the RLA's professional service contract.	\$41,667

Staff provides a summary of these funds and their associated fund balance during every budget discussion, most recently on September 15, 2025 where the REDA took action to utilize \$100,000 from fund 725 (EDA Operating) to lower the EDA levy for 2026. The fund balance in 725 has been growing since 2019, for a variety of reasons which were outlined in the September 15, 2025 EDA report. In recognition of this, staff has proposed, and the REDA has approved, lowering the EDA levy every year since 2019.

Excess cash balances in REDA-managed funds have provided a funding source for the REDA's housing efforts, allowing the programs to continue to be offered without the need for new taxpayer support. These cash balances remain a viable funding source if the REDA wishes to continue the current housing program offerings. Based on the information contained in the above table, funds 724 (Multi-Family) and 725 (EDA Operating) have balances available to fund housing programs if the REDA wishes to continue the current programs. Staff has offered a recommendation on how to use these balances in the Budget Implications section of this report.

Local Affordable Housing Aid (housing sales tax)

Based on a housing sales tax established by the State legislature during the 2023 session, the City receives aid that can be spent on affordable housing projects and to help provide affordable and supportive housing. This aid is referred to as Local Affordable Housing Aid (LAHA). To date, the City has received approximately \$775,000. The use of these funds is defined in statute, but generally includes the creation and preservation of affordable housing, as well as emergency rental assistance, supportive services, and operating emergency shelter facilities. The incomes that define affordability are 80% of the area median income for rental (priority given to 50%) and 115% for ownership (priority given to 80%). Staff has provided a Frequently Asked Questions document from Minnesota Housing in Attachment 4.

The law includes a provision that the funds cannot be used to "supplant" funding for existing programs, but can "supplement" funding. Because all of Roseville's housing programs are being funded with fund balance or grants, staff has asked for a legal opinion about whether LAHA can be used to fund existing programs once that fund balance or grant money is spent. The REDA attorney has sought an opinion from the League of Minnesota Cities and MN Housing, which indicates LAHA can be used to fund existing programs once the fund balance and grants are gone, but only if those existing programs meet the eligibility requirements of LAHA. See Attachment 5 for the legal opinion offered by the REDA attorney.

Given the requirements of LAHA and the opinion of the REDA attorney, there are existing programs that could be funded with LAHA. Staff has also explored other needs within the community that could be supported with LAHA, which are summarized in Attachment 6, including help for seniors with minor maintenance and repair projects in their homes, weatherization and stabilization of manufactured homes, and eviction prevention. Staff does not represent that there are no other options, but these options attempt to address a need that is known within our community. The REDA does not have to create any new programs, but if funds are not committed by the third year of receipt, and spent by the fourth year, they must be returned to the State. Early on, there was a belief unspent funds could be preserved in a city's local housing trust fund, which prompted the REDA to establish such a fund in 2024, however, as clarity has been sought and provided by the State, keeping these funds beyond four years after receipt is no longer permissible. There is one exception to this, which is, if a project has been identified, but the funds can't be spent by year four, they could be reserved in the city's local housing trust fund. However, the city needs to be prepared to articulate in the annual report what project the funds are reserved for.

Lastly, staff would also note that at the conclusion of the 2024 Housing Needs Assessment, all members of the EDA were asked to complete a worksheet to attempt to outline areas of interest in terms of housing programs. While the worksheet responses are not considered policy, and certainly represent conceptual thoughts only, all members did express interest in housing maintenance and rehabilitation programs and land trust homes (or to continue the programs we already have), although one member noted that only if LAHA funds could be used and not levy funds.

Policy Objectives

The REDA's role is to coordinate and administer housing, economic development and redevelopment efforts for the City of Roseville. Decisions regarding the funding of existing, revised, or new REDA housing programs supports the City's economic vitality strategic priority. These programs advance the City's desired impact of offering a wide range of housing types for people at all income levels and align with the goal of providing housing types and programs that contribute to economic success across income levels. The REDA's existing programs, or any new LAHA-specific programs, support this goal by contributing to the following success indicators: housing meets the full life-cycle continuum, residents feel safe, secure, and stable in their housing, and residents are not cost-burdened by their housing.

Equity Impact Summary

Decisions about whether to continue, discontinue, or create new REDA housing programs have equity implications because these programs address housing needs that are not easily met by the private market. These programs serve individuals and/or households with incomes at or below 115% of the

area median income (AMI), with most assistance directed at households earning 80% AMI or less. These programs also invest in homes valued at or below 110% of Roseville's median valued home. This approach helps to ensure those homes remain safe, stable, and well-maintained, while also contributing positively to the city's overall housing stock. The REDA's housing programs promote housing stability and equity by allowing seniors to remain in their homes longer, help homeowners modernize their homes, address critical repairs and emergency issues they could not otherwise afford, and support first-time/first-generation homeownership. In combination, these outcomes are intended to reduce housing cost burdens and increase access to safe and stable housing.

If the REDA directs staff to explore the creation of a new housing program, staff will complete the Equity and Inclusion Toolkit to aid in those decisions.

Budget Implications

Decisions regarding funding of existing programs, or creation of new programs, may have implications on future REDA budgets. At this time, staff's recommendations include funding sources that do not impact the 2026 budget or the need to levy for new funding for these programs for at least two years. Staff's recommendations for funding are sourced from funds 724 (Multi-Family), 725 (EDA Operating) and LAHA. Even with these recommendations, 725 (EDA Operating) would have excess cash above the reserve target established by the Operating Fund Reserve Policy. In recognition the EDA lowered the 2026 levy by \$100,000 without cutting the budget, staff would recommend this excess balance be reserved to keep the levy low if, and until, the EDA elects to cut the budget and/or programs offered by the REDA. The program funding recommendations provided in the staff recommendation, are summarized below based on income to the specified fund:

Fund	Balance Impacts
720 <i>Housing Replacement</i>	Existing balance allocated to CLT projects already in pipeline
721 <i>Community Development Block Grant</i>	Existing balance allocated to CLT projects already in pipeline
723 <i>Housing & Redevelopment</i>	Existing balance reserved for Revolving & Senior Deferred loans
724 <i>Multi-Family</i>	Reallocate \$600,000 for Revolving loan program, Reallocate \$350,000 for Senior Deferred program, Reallocate \$94,298 for CLT
725 <i>EDA Operating</i>	Reallocate \$225,702 for CLT (leaves approximately \$150,000 over target balance after deducting \$100,000 use of reserves for 2026 operations)
LAHA <i>Local Affordable Housing Aid</i>	Allocate \$50,000 to Emergency Deferred Loan, Allocate \$160,000 to 1st Generation DPA, Allocate \$197,000 for acquisition costs for CLT project

(leaves balance of ~\$368,000 based on 2024 & 2025 aid amounts)

Funds 722, 726, and 727 are unchanged based on the recommendations of staff as these funds support efforts unrelated to housing development/redevelopment.

Staff Recommendations

There are many factors to be considered in terms of the number of housing programs offered, their level of funding, and their funding source. Staff offers the following recommendations for continuation and funding of existing programs over the next two years:

Program	Funds	Revisions	2-Year Budget	Comments
<i>Revolving Loan</i>	723, 724	None	Move \$600,000 from fund 724 to 723	Admin costs paid to the loan administrator are on the levy. If the REDA wishes to keep the levy low, these costs could be moved to 723, albeit the funds in 723 would need replenishment sooner. This loan does not have income restrictions, so LAHA funding isn't an option.
<i>Senior Deferred Loan</i>	723, 724	None	Move \$350,000 from fund 724 to 723	Given this loan is deferred and there is currently over \$650,000 outstanding, staff would not recommend exceeding \$1 million. This loan does not have income restrictions, so LAHA funding isn't an option.
<i>Emergency Deferred Loan</i>	LAHA	Forgive over 10 years	\$50,000	A \$50,000 budget will last much longer than 2 years. The recommendation to revise the program and forgive the loan amount over 10 years is due to LAHA accounting and reporting requirements.
<i>1st Generation Down Payment Assistance Deferred Loan</i>	LAHA	Lower income qualification from 100% AMI to 80% AMI, change maximum amount from \$25,000 to 10% of the purchase price not to exceed \$40,000, require buyer to provide \$1,000 cash at closing, forgive over 20 years, cannot stack with County's program.	\$160,000 (provides up to 4 loans)	The program revisions aim to assist those with the greatest need and to ensure alignment with LAHA requirements. The County's program provides up to \$93,150 of assistance per home, so stacking Roseville's assistance with County assistance seems excessive.

<i>Manufactured Home Loan</i>	n/a	Discontinue	n/a	Since creation of this program, not a single loan has originated. The County offers a grant that is more attractive than a loan.
<i>Community Land Trust</i>	LAHA, 720, 721, 724, 725	none	LAHA = \$197,000 720, 721 = 100% of balance. 724 = \$94,298 725 = \$225,702	The LAHA amount of \$197,000 is only if the REDA wants to provide the acquisition funding requested by Habitat. There are 6 homes already in the pipeline, which will be funded by 720 & 721. Staff recommends the REDA and Habitat only add 2 homes per year over the next 2 years, which equates to \$320,000. Existing Ramsey County grant money will be provided as down payment assistance to the buyer and cannot be used towards the REDA's contribution. There is existing Met Council grant money that will likely come back as a reimbursement, which can be recycled for homes acquired in the future.
<i>Home Advisory, Home Energy Squad, Energy Audit, Sustainable Steward</i>	725	none	no change - maintain \$36,850 of funding (includes admin costs to CEE)	The actual costs to provide advisory, energy squad and audit visits have been less than what has been budgeted over the last five years. Staff has kept the budgeted amount flat because it is difficult to project actual use of these programs and admin costs.
<i>New LAHA-exclusive programs</i>	LAHA	See Attachment 6	TBD	More feedback needed. Depending on interest, future discussions will be required and the Equity & Inclusion Toolkit will be completed to inform decisions.

If the Council would like to use the existing funds in a different way, and not continue to fund the programs described above, there should be additional discussion and direction provided to staff.

Requested Council Action

Discuss the information and provide direction to staff on the continuation and funding of the REDA's currently offered housing programs, and

Provide feedback on whether to pursue any new programs and/or LAHA-specific housing programs, which would be brought back for further discussion once the Equity and Inclusion Toolkit can be prepared.

Prepared by: Janice Gundlach, Community Development Director

Attachments:

1. May 13, 2023 EDA Meeting Minutes
2. Existing Housing Programs
3. Land Trust Partnership
4. MN Housing LAHA FAQ
5. Attorney Memo RE LAHA Use
6. LAHA Program Possibilities
7. Presentation Slides

did not want it to be something that makes the applicant think this may not make them eligible.

Ms. Kelsey indicated she would make a note of that.

President Roe offered an opportunity for public comment with no one appearing to speak to this issue.

Etten moved, Groff seconded, adoption of REDA Resolution No. 115 entitled, "Resolution Approving a Small Business Loan Program and Authorizing Staff To Administer Said Loan Program."

Ayes: 4

Nays: 0

Motion carried.

c. Consider Replenishment of Funds for Various Home Loan Programs

Housing & Economic Development Program Manager Jeanne Kelsey provided a brief summary of this request as detailed in the staff report and attachments dated May 15, 2023.

Member Strahan wondered given the changes in the market has staff considered moving the three percent interest rate back up to the four percent that it had been originally.

Ms. Kelsey explained the reason it was lowered from four percent to three percent was not due to the market, it was due to covering the costs associated with what it cost to administer the loans because there is a monthly cost associated with each loan for CEE to monitor them so the three percent is covering the cost, the overhead for CEE so that all the loans will pretty much break even for the amount that is being paid back. If there is consideration that the EDA wants a higher interest rate based upon the marketplace that is a consideration the EDA can give staff.

Member Strahan asked if staff knew what the long-term plan is for the County on its first generation home buyer down payment assistance program.

Ms. Kelsey explained the County is currently using its HRA levy funds. As long as the County keeps on levying the County will keep on budgeting for this.

Member Etten indicated it was mentioned that the State was considering legislation for first time programs. He asked if there were any details on what the proposals are for that program.

Ms. Kelsey explained it was her understanding this is one time funding that the Legislature is looking at putting into the program of one million dollars and if it

is not earmarked for anything else going forward. However, the one thing she also knows is that there were conversations long ago about each City getting funds for affordable housing and putting that towards it. If those bills end up passing the way they look now, the City will have, maybe, even a possible annual amount from the sales tax the Legislature is looking at initiating. She noted that will take a year of sales tax before the City to finally get it and then working through the process with Minnesota Housing in order to get the allocation.

Member Groff thought the presentation was good and he liked the overall idea of what is being talked about.

President Roe offered an opportunity for public comment with no one appearing to speak to this issue.

President Roe explained there is the question in terms of the continuation or discontinuation or pausing of the down payment assistance for first generation home buyers. He asked the EDA if any member would like to see this paused or discontinued for the time being.

Member Etten indicated he was personally leaning to pausing the program after finishing off the money available at this time. He would think at that point the City would be looking at how the State would be funding it going forward and the City could add to that, if needed. He explained the County's first-generation home buyers' program is quite significant at twenty-five percent of the cost of the home. He noted if the City can target its loans where there is a different need, that would be a good thing to do.

Member Strahan indicated her preference would be to keep the program in place until the City knows what the State is planning to do. She thought this could always be paused in the future, but she felt like this is in line with the City's commitment to equity, their Just Deeds commitment, and the other commitments along the line of undoing the damage of redlining. She stated it took so much time to get it there that she is hesitant to take it out. If in the future though, there is no need to move forward with it or less need. She would prefer to leave it there.

President Roe indicated he incorrectly stated Member Etten's proposal. His proposal was to use the existing funding for one more loan but not to add the additional seventy-five thousand dollars. The idea is that the program would continue through the existing funding but not add additional funding at this time.

Member Groff agreed with Member Strahan in the sense that he would rather have the State or County in place as the City knows what they are for sure and their timelines. He would hate for someone to use the one up and then not have anything available for someone who actually would qualify. He did not think

that amount of money was too much to have that assurance and if the money is still there, the EDA can move it into another plan.

President Roe concurred with placing an additional seventy-five thousand dollars into the fund and then revisiting this at the end of that period. He asked if there were any concerns regarding adding funds to the other two programs as outlined.

The EDA members did not have an issue with the other program funding.

Groff moved, Strahan seconded, directing staff to replenish funds as outlined in the staff recommendation which includes the funding for the First Generation Downpayment Assistance Program of seventy-five thousand dollars.

Ayes: 4

Nays: 0

Motion carried.

6. Adjourn

Groff moved, Etten seconded, adjourning the REDA meeting at approximately 6:35 p.m.

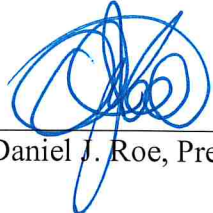
Ayes: 4

Nays: 0

Motion carried.

ATTEST:


Pat Trudgeon, Executive Director


Daniel J. Roe, President

Program as December 1, 2025	Guidelines	Last Levied Funds	Outstanding Balance	Estimated Monthly Income	Remaining Budget
<i>Home Advisor, Home Energy Squad/Energy Audit, Sustainable Steward</i>	Home Advisor visits available to any home owner and required with some of the loan programs. Energy Squad/Audit any home that is 25 years old, no income requirements, and no maximum home value.	EDA 2025	\$36,850 levied annually	\$0	~\$3,000
<i>Roseville Revolving</i>	3% up to \$40,000 on homes 110% of median value (MV). 2026 MV = \$379,400 with 110% = \$417,340. Amortized over 10 years.	HRA 2014	\$857,466.64	\$9,500	\$155,403
<i>Senior Deferred</i>	0% interest rate for up to \$25,000 with deferred payments until home sells. Homes cannot exceed 110% of median value (MV). 2026 MV = \$379,400 with 110% = \$417,340. CEE conducts an inspection to prioritize improvements.	HRA 2014	\$651,185.24	\$0	\$37,874.57
<i>First Generation DPA Deferred</i>	0% interest rate for up to \$25,000 with deferred payments until home sells. Buyer must be first generation, 100% or less AMI and home valued under 110% median value.	HRA 2014	\$175,000	\$0	\$0
<i>Emergency Deferred</i>	Funds to assist with an emergency, which is defined as a condition that makes the house uninhabitable. 0% interest with payments deferred upon sale of home. Income limit of 115% of AMI.	HRA 2014	\$14,500.00	\$0	\$30,500
<i>Manufactured Home Loan</i>	4% interest rate over 10 years. Maximum amount of \$10,000. Improvements can be interior or exterior.	HRA 2014	\$0	\$0	\$30,000
<i>Business Loan Program</i>	50/50 parternship with MCCD. Maximum loan of \$100,000. Funds for capital improvements/equipment purchase. The applicant puts 10% cash into the project costs. Interest rate is blended rate with MCCD's interest rate of 7% and the REDA's of 2%, equating to 4.5%.	EDA 2023	\$31,208.65	\$647.17	\$232,286.36

Program as of December 1, 2025	Last Levied	Adopted and Last Updated	Guidelines	REDA Funds	Grants:ARPA,CDBG,LCDA*,LHIA*,Ramsey County HRA	Homes Sold to Buyers	Homes under Rehab	Estimated REDA Fund Balance After 17 homes
Habitat Land Trust	HRA 2014	Adopted 11/4/21, revised guidelines 11/6/23	First Time Homebuyer, 80% or Less AMI, targetted to 50-60% AMI	\$483,730	\$2,229,919.46	11	6	\$1,873 + \$160,000*

*LCDA and LHIA are reimbursement grants



Local and Statewide Affordable Housing Aid Frequently Asked Questions

June 14, 2024

In 2023, the Minnesota Legislature authorized aid payments to counties, cities and Tribal Nations and in 2024 the legislature adopted changes to the aid programs. The goal is to fund affordable housing projects and help organizations provide affordable and supportive housing.

Local Affordable Housing Aid (LAHA) is aid to metropolitan local governments of seven counties and 63 cities. LAHA is funded through a new dedicated sales tax in the seven-county metropolitan area. As sales taxes will vary, the amount of LAHA distributed will also vary.

Statewide Affordable Housing Aid (SAHA) is funded by state funds appropriated to the Department of Revenue. All Minnesota counties, Tribal Nations and 37 cities will be eligible to receive this aid.

Aid payments are made directly to local governments. In the metro, aid is funded by the sales tax for housing. Statewide, aid is funded by state appropriations.

Throughout the document, “housing aid” is used when the response applies to both LAHA and SAHA.

The information provided in this document does not constitute legal advice and is subject to change. If there are questions regarding how program requirements or criteria apply in specific circumstances, please consult with your own legal counsel.

Overview and Requirements

Why is there a difference between SAHA and LAHA?

The primary differences between LAHA and SAHA are the way they are funded, when funding will be disbursed and to whom.

Both aid projects have the same eligible uses and requirements except for market rate housing. This is only available in certain non-metropolitan areas using SAHA.

What are the eligible uses of housing aid programs?

Qualifying projects for aids payable in 2023 are:

- Emergency rental assistance for households earning less than 80% of area median income (AMI) as determined by the U.S. Department of Housing and Urban Development (HUD)
- Financial support to nonprofit affordable housing providers in their mission to provide safe, dignified, affordable and supportive housing
- Development of market rate residential rental properties outside of the metro area if certain conditions are met
- Projects designed for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing and gap financing of affordable housing

For aids payable in 2024, qualifying projects are those listed above plus:

- Financing the operations and management of financially distressed residential properties
- Funding of supportive services including staffing for supportive housing, which includes financial support to nonprofit services providers and capitalized reserves
- Costs of operating emergency shelter facilities, including services

For more information, read the complete list of [LAHA qualifying projects](#) and [SAHA qualifying projects](#).

What is gap financing?

Gap financing is the difference between the property costs (including acquisition, demolition, rehabilitation and construction) and

- The market value of the property upon sale

OR

- The amount the target household can afford for housing (based on industry standards and practices)

What are the affordability requirements of LAHA and SAHA?

Specific income requirements are provided for:

- Emergency Rental Assistance
 - Less than 80% of AMI
- Homeownership
 - At or below 115% of the greater of state or area median income
 - Priority for those at or below 80%
- Rental Housing
 - At or below 80% of the greater of state or area median income

- Priority for those at or below 50%

State and area median incomes are determined by HUD.

While there are no income requirements or income qualification for projects supporting nonprofits, organizations should be providing affordable or supportive housing.

Some non-metropolitan communities may be eligible to spend aid on market rate developments. There are no income requirements for market rate housing under this category.

Are there other requirements if using these funds?

Yes. If LAHA or SAHA is used for new construction of a building with more than four units, the building must be constructed, converted or otherwise adapted to include accessibility features, such as sensory-accessible ([see subd. 4](#)). Documentation will be required for reporting and compliance.

State Agency Roles and Reporting Requirements

What roles do the Department of Revenue and Minnesota Housing play in distributing and tracking local housing aid?

The Department of Revenue calculates and distributes the amount of aid available to each government. Revenue also accepts applications from eligible Tribal Nations.

Minnesota Housing's statutory role relates to reporting and compliance. First reports are due by December 1, 2025. While not required by the legislation, Minnesota Housing is hiring staff to support housing aid programs with technical assistance and coordination.

Does a city, county or Tribe need to apply to receive the funds?

For cities and counties there is no application process. Revenue will distribute aid according to statutory requirements.

Tribal Nations must apply to receive funds annually. Tribes should work with Revenue to meet this annual requirement.

Does a city, county or Tribe need to seek preapproval before spending the funds?

No. Approval is not needed before spending funds. However, funds must be used on qualifying projects and expenditures should be documented to avoid repayment or recapture.

Will Minnesota Housing be developing a program guide for housing aid?

No. Housing aid is not a grant or loan program and is not subject to a program guide.

Minnesota Housing will support housing aid programs through guidance and staff support.

What are the reporting requirements for the funds?

Beginning in 2025, housing aid recipients must submit a report to Minnesota Housing every year by December 1.

The report must include documentation of:

- Certification that the aid recipient will use the aid funds to supplement and not supplant its existing locally-funded housing expenditures
- Qualifying projects completed or planned with the funds
- Location of unspent funds
- Inability to spend on a qualifying project prior to the deadline (if funds deposited into a local housing trust fund)
- Accessibility requirements (for project of four or more units)
- Relevant resolution and certifications for market rate developments in non-metropolitan communities
- Relevant documentation of locally-funded housing expenditures in prior years, including public notice requirements

Additional guidance on the report's format will be provided in the future.

Do metropolitan counties need to submit a report for LAHA and one for SAHA?

Minnesota Housing is determining if the reports must remain separate. However, if they do, the report format will be the same or substantially similar for LAHA and SAHA.

What happens if a city, county or Tribal Nation does not submit a report or does not spend the funds?

Reports are due by December 1 every year. The first report is due on December 1, 2025.

If the aid recipient fails to submit a report, does not spend funds during the required timeframe, or spends funds on an ineligible project, they must repay the funds. Revenue may also suspend payments to these entities.

Detailed information can be found in [477A.35, Subd 6](#) and [477A.36, Subd. 6](#).

What happens to the aid funds if they are returned or recaptured?

If returned, aid funds would be deposited with one or more of Minnesota Housing's programs. This includes Family Homeless Prevention and Assistance Program (FHPAP), the Economic Development

and Housing Challenge Program (Challenge), and the Workforce and Affordable Homeownership Development Program as specified in law.

Will Minnesota Housing be monitoring the use of housing aid prior to the reporting deadline for cities and counties?

Minnesota Housing will not require reporting prior to December 1, 2025, when the first report is due from cities and counties.

However, Minnesota Housing will be checking in with local governments to offer support and track spending progress.

Definitions and Clarifications

What is a Tier I and a Tier II city?

The terms Tier I and Tier II are used to determine cities that will receive aid.

A Tier I city is a statutory or home rule charter city that is a city of the first, second or third class. For LAHA, it must be in a metropolitan county. For SAHA, it must not be in a metropolitan county. [Read the full definition of cities and classes.](#)

A Tier II city is a statutory or home rule charter city that is a city of the fourth class and [not located in a metropolitan county \(see subd. 4\).](#)

The bill requires aid be spent on a qualified project. What is the definition of spent? If a project is started but not completed, are the funds considered to be spent?

The definition of spent was clarified in 2024 session law. Funds must be committed to a qualifying project by December 31 in the third year following the year the aid was received (for aid received in 2024, this would be December 31, 2027) and expended by December 31 the fourth year after the aid was received.

Is SAHA funding from appropriations ongoing?

The following table reflects amounts appropriated to SAHA through the fiscal year ending in 2027. The appropriations are set at a base level with one-time increases in the first two years.

SAHA Appropriations	Fiscal Year Ending 6/30/24	FYE 6/30/2025	FYE 6/30/2026	FYE 2027 and each year after
To the 87 counties in Minnesota	\$ 13,050,000	\$ 13,050,000	\$ 5,550,000	\$ 5,550,000

SAHA Appropriations	Fiscal Year Ending 6/30/24	FYE 6/30/2025	FYE 6/30/2026	FYE 2027 and each year after
To the 37 cities in Greater Minnesota	\$ 4,500,000	\$ 4,500,000	\$ 2,000,000	\$ 2,000,000
To the 7 eligible Tribal Nations	\$ 2,700,000	\$ 2,700,000	\$ 1,200,000	\$ 1,200,000
To Minnesota Housing for the Tier II Cities Grants program	\$ 2,250,000	\$ 2,250,000	\$ 1,250,000	\$ 1,250,000
TOTAL	\$ 22,500,000	\$ 22,500,000	\$ 10,000,000	\$ 10,000,000

How were the funding allocations determined?

Revenue determined allocations based on distribution formulas.

For counties and cities, these formulas consider cost-burdened households and total population. For Tribal Nations, funds are distributed to Tribes that apply by the deadline.

Will Tier II cities receive a disbursement of SAHA?

Tier II cities will not receive a direct disbursement of SAHA.

However, the Legislature appropriated \$4.5 million for Tier II cities. Funds will be available as grants in the competitive process for a range of rental, homeownership and housing stability activities with a minimum award size of \$25,000.

Minnesota Housing will be preparing a program guide, a list of eligible Tier II cities and a request for proposals (RFP) in 2024.

Qualifying Projects and Expenses

What portion of the housing aid funds can be used for staffing costs and administrative costs?

Administrative costs and staffing costs are not listed as an eligible project. Therefore, the funds are not able to be used for these costs.

If funds are used for Emergency Rental Assistance (ERA), what portion can be used for navigation, services and administration related to ERA provision and programs?

Navigation and services related to providing ERA are eligible aid expenses. However, there is no allowance for administrative costs using housing aids. .

If aid funds are used for demolition or removal of existing structures, does affordable housing need to be constructed on the site?

Yes. The expense must be tied to affordable housing for eligible households. Demolition or clearing of land alone, including for speculative or future development of eligible housing, is not an eligible project.

Can funds be used for planning activities (soft costs) for new construction and preservation affordable housing projects?

Soft costs are only eligible as part of a qualifying project. General or speculative planning activities unrelated to a qualifying project are not an allowed use of funds.

Can funds be used for downpayment assistance for homebuyers?

Qualifying projects include homeownership projects for income-eligible households.

Downpayment assistance may be provided as permanent financing or gap financing, depending on program requirements established by the aid recipient.

Can the housing aid funds immediately be deposited into a Local Housing Trust Fund?

Funds can be held in a local housing trust fund while recipients determine if a project qualifies.

Funds must be spent on a qualifying project by the deadline in statute. Funds remaining in a local housing trust fund past the deadline will only be considered “spent” on a qualifying project if the aid recipient demonstrates that it could not spend funds by the deadline due to factors outside their control.

Can funds be transferred to a county or regional Housing and Redevelopment Authority (HRA) if they are spent on qualifying projects?

Yes. Funds can be transferred to a county or regional HRA if they are spent on qualifying projects.

The original aid recipient is still responsible for all requirements related to the funds, including reporting.

Can funds be used for developing new infrastructure, such as utilities and roads, or upgrading existing infrastructure if the infrastructure serves affordable housing?

Potentially. The infrastructure would need to be part of a qualifying project. All requirements related to project type, income affordability and other accessible requirements would also need to be met. Speculative site and infrastructure development would not be eligible.

Infrastructure development or improvement for sites that include development uses not allowed under this aid program would not be eligible.

What are some examples of expenditures ineligible for housing aid?

Housing aid should be used for projects that create and preserve affordable housing or stabilize the housing of low-income people. This does not include:

- Conducting a housing or zoning study
- Costs to create a [Housing Improvement Area](#)
- Staff and services related to general housing quality and licensure, such as code enforcement
- Staff and administrative costs for operation of an HRA or county or city housing department
- Commercial, industrial or public space development projects
- Projects located outside of Minnesota

Housing aid received by Greater Minnesota counties, cities and Tribes in 2023 cannot be used for emergency shelter. However, for aid received in 2024 and after, shelter is an eligible project type.

If funds are used to support a nonprofit organization, do they need to be tracked to qualifying projects?

Housing aid can be used to provide financial support to a nonprofit affordable housing provider in their mission to provide safe, dignified, affordable and supportive housing.

If aid is used in this manner, providing support to the eligible nonprofit is the qualifying project. The aid recipient should document that the funds were used to support the organization's mission.

Can a county or city use other state or federal funding as part of a development financing package that includes housing aid funds?

Yes. State and federal funding can be used as a part of the project's development financing package.

If the funds are held in a Local Housing Trust Fund, can they be used as a match in Minnesota Housing's Local Housing Trust Funds Matching Grants program?

No. Housing aid cannot be used as matching funds in the [Local Housing Trust Fund Grants program](#). Only new public revenue, defined as local income committed to the Local Housing Trust Fund on or after June 29, 2021, can be used as matching funds.

Can a county use its funds within cities that have also received housing aid?

Yes. Counties can spend the funds on qualifying projects anywhere in the county, including cities that directly receive aid. Regional collaboration is encouraged to maximize the aid's impact.

A county receiving aid should consult with the cities where projects are planned ([see subd. 7](#)).

Can aid funds be used to reimburse prior expenditures on eligible projects?

No. An aid recipient may not use aid money to reimburse itself for prior expenditures.

Will the aid funds trigger other state funding requirements, such as prevailing wage?

For questions on labor and wage requirements, [contact the Department of Labor and Industry](#).

For questions on the use of sales tax proceeds, [contact the Department of Revenue](#).



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MEMORANDUM

TO: Janice Gundlach, Community Development Director

FROM: Rachel G. Tierney, City Attorney

DATE: December 29, 2025

RE: Permissible uses of Local Affordable Housing Aid

BACKGROUND

In 2023, the Minnesota Legislature established a new Local Affordable Housing Aid program (LAHA) to help metropolitan local governments develop and preserve affordable housing within their jurisdictions. Minn. Stat. § 477A.35 (the “Statute”). LAHA is funded through a .25% metro area sales tax that began October 1, 2023. The funds from the sales tax are distributed to Aid Recipients, including the City of Roseville, in two separate payments each year according to a set statutory formula. In 2024, the City of Roseville received \$211,213.54; in 2025 the City of Roseville received \$563,752.51.

The legislature imposed several limitations on LAHA. First, as its name suggests, LAHA can only be used for “qualifying projects” which are statutorily defined. Second, the legislature imposed a deadline for spending. In general, the deadline requires that funds be committed within three years of receipt and spent within four years of receipt. Finally, LAHA funds may only be used to supplement, and not supplant, existing locally funded housing expenditures.

QUESTIONS

1. What is a “qualifying project”?
2. What actions satisfy the requirement to “commit” or “expend” LAHA funds?
3. What are the reporting requirements and what is difference between “supplementing” existing expenditures and “supplanting” existing expenditures?

DISCUSSION

I. Qualifying Project.

The Statute defines “Qualifying Projects.” Minnesota Housing has created a helpful table that defines this term, included here:

Short Description	Full Description
Emergency rental assistance	Households earning less than 80% of AMI.
Financial support to nonprofit affordable housing providers	Supporting mission to provide safe, dignified, affordable and supportive housing.
Affordable Housing Development and Financing	Construction¹, acquisition, rehabilitation, demolition or removal of structures, construction financing, permanent financing, interest rate reduction, refinancing and gap financing of housing to provide affordable housing to households whose income does not exceed: <u>For homeownership projects</u>, 115% of AMI. <u>For rental housing projects</u>, 80% of AMI. Gap financing is either: (1) the difference between the costs of the property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale; or (2) the difference between the cost of the property and the amount the targeted household can afford for housing, based on industry standards and practices.
Distressed property operations and management (Aid Years 2024 and later only)	Financing the operations and management of financially distressed residential properties.
Supportive services (Aid Years 2024 and later only)	Funding of supportive services or staff of supportive services providers for supportive housing as defined in Section 462A.37, subd. 1. Financial support to nonprofit housing providers to finance supportive housing operations may be awarded as a capitalized reserve or as an award of ongoing funding.
Emergency shelter (Aid Years 2024 and later only)	Costs of operating facilities, including the costs of providing services.

¹ The Statute includes accessibility requirements for construction of a building containing more than four units.

Other Qualifying Projects ² (Aid Years 2024 and later only)	Other projects, subject to the approval of Minnesota Housing, that: a) do not fit another Qualifying Project category; and b) contribute to the creation and preservation of affordable and/or workforce housing, keep families and individuals from losing housing, or help those experiencing homelessness find housing.
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Priority Projects³:

In addition to the definition of Qualified Projects, the Statute also **requires** that LAHA recipients prioritize the following:

- 1) For homeownership projects; households that have incomes which do not exceed 80% AMI;
- 2) For rental housing projects; households that have incomes which do not exceed 50% AMI.

Recipients are **permitted** to prioritize projects that: reduce disparities in home ownership; reduce housing cost burden, housing instability, or homelessness; improve the habitability of homes; create accessible housing; or create more energy- or water-efficient homes.

II. Commitment and Expenditure of Funds.

The Statute requires that all funds be “spent” by December 31st in the third year following the year the aid was received. This requirement is satisfied by one of the following:

- 1) The funds are committed by December 31st of the third year following receipt, and expended by December 31st of the fourth year following receipt; or
- 2) REDA can demonstrate to Minnesota Housing that it is unable to expend the funds by the deadline due to factors outside the control of REDA; and the funds are transferred to a local housing trust fund and spent on a project or household that meets the above-described affordability requirements.

Please note in the above that the transfer of LAHA to the Local Housing Trust Fund alone does not extend the timeline. REDA must also show it was unable to spend the funds according to the timeline. Therefore, care should be taken to carefully track funds to ensure proper reporting, and REDA should strive to spend the funds within the statutorily-required time frame.

² This category is not in the statute but is included in the table created by Minnesota Housing. Therefore, the availability and requirements for this kind of funding are unclear.

³ Minnesota Housing does not provide guidance on how to “prioritize” funding, but recipients are required to certify compliance with the priority. I recommend articulating in annual reporting the ways this requirement was addressed.

III. The Annual Report and Supplement vs Supplant.

The Statute has specific provisions that seek to ensure that LAHA adds to the overall spending on affordable housing. In furtherance of this goal, the Statute requires annual reporting in order to monitor all past and current spending on “locally funded housing expenditures.” This report requires the following:

- 1) In the 2025 report, all locally funded housing expenditures in the prior two years.
- 2) An explanation of the amount of any spending reduction and the reason for the reduction.
- 3) The location of unspent LAHA funds.
- 4) Qualifying projects completed or planned.

The Statute explicitly requires that LAHA be used to “supplement, not supplant” existing spending. LAHA must “create new or to expand existing housing programs.” For example, if a city is dedicating \$100,000 per year in levy funds to affordable housing, it cannot just replace levy spending with LAHA. This statutory language leaves open many questions, some of which are addressed below. Please note: the Statute created an entirely new program and is a very recent creation. There is very little guidance on how specific situations will be treated. Therefore, it is critical to discuss any use of LAHA in connection to an existing program. Further, the likelihood of additional changes to the Statute by the legislature, or interpretations of the courts, is high.

IV. Questions.

- 1) Can a City use LAHA for existing programs? In my opinion, yes, provided that LAHA is tied to and in proportion with an expansion of an existing program. The use of LAHA should make the existing program available to households or projects that were not previously specified, or make the program able to serve more households than before. For example, if a city has an existing program that does not have income limitations and then income limitations, consistent with LAHA, are imposed, LAHA funding likely can be used to the extent that the program is expanded⁴.
- 2) Can a City use LAHA to extend a program that has been funded using fund balance or other funds that have run out? In my opinion, yes. If an existing program would end because the funding source has run out, LAHA can be used to extend the program. I have verified this answer with Minnesota Housing. For existing programs, I recommend that REDA document the existing spending, and its source, in annual reporting. Therefore, when LAHA is used for an existing program, REDA

⁴ If the previous program without income restrictions generally served the same individuals, the program would likely not be eligible for LAHA. I recommend that reporting regarding the use of LAHA for existing programs include details of how the use of LAHA expands the previous program.

will have established a record that the funding source was limited, making the addition of LAHA clearly an expansion of an existing program. Be advised this is only applicable if the existing program meets LAHA's qualifying project requirements.

- 3) What happens if REDA does not spend LAHA appropriately? If REDA fails to meet the spending deadlines, uses funds for an unauthorized purpose, fails to submit required reports, or supplants existing spending, REDA may be required to repay to Minnesota Housing the funds it received.

- 4) Can LAHA be used for land acquisition assistance for Habitat for Humanity's Community Land Trust program (CLT)? In my opinion, yes. Acquisition assistance is included within the above-described Affordable Housing Development and Financing category. The properties will carry affordable housing declarations of restrictive covenants and be part of an affordable housing land trust with qualifying income restrictions. Although the CLT is an existing program, the type of acquisition assistance being considered will be provided directly to Habitat for Humanity for land acquisition and will result in new homes being constructed for qualified buyers. The current program differs in that it provides downpayment assistance to qualified buyers at the time they purchase rehabilitated existing homes. Therefore, the proposed expenditure of LAHA will be an expansion of the CLT program. I recommend that, if this spending is approved for LAHA, the annual LAHA report highlight that the land acquisition funds reflected a different type of project and that it was outside of the current CLT guidelines. These facts should demonstrate that LAHA did not "supplant" other funds, but, rather, made expansion of the program possible. Also, please note that the use of LAHA must include future construction on the site, and therefore, the agreement to provide acquisition assistance should include assurances that affordable housing meeting the LAHA requirements will be constructed.

ATTACHMENT 6

Possible LAHA Programming	Program Opportunities/Options	Budget 2 Years*	Aid Certified 2024	Aid Certified 2025	Total Funds
Habitat Land Purchase	Upfront 1 time assistance to acquire land for new construction of homes for less than 80% AMI	\$197,000			
Emergency Deferred (forgiven over 10 years)	Assist with an emergency, which is defined as a condition that makes the home uninhabitable	\$50,000			
Help at your door (fix it repair assistance to elderly and disabled)	Assist 80% or less home owner's with minor maintenance/repair for elderly/disabled budget \$6,000 is for 200 hours of service a year	\$12,000			
Weatherization audit/Stabilization Inspection of manufactured homes	CEE and Slip Stream do energy audits and stabilization inspections of manufactured homes to determine scope of work needed to maintain the home. Program is targeted to 80% or less AMI.	\$300,000			
Eviction Prevention	Eviction prevention assistance determined by Roseville CAT team to assist with delinquent rent for 50% or less AMI to avoid eviction court. \$30,000 a year maximum assistance of \$2,500 one time for renter. Work with non-profit Neighborhood House to income qualify for 10% admin fee.	\$66,000			
New First Generation DPA	80% AMI, 10% of purchase price no to exceed \$40,000, forgiven over 20 years, minimum \$1,000 from buyer.	\$160,000			
Subtotal		\$785,000			
Commit By			12/31/2027	12/31/2028	
Spend By			12/31/2028	12/31/2029	
Total			\$ 211,313.54	\$563,752.51	\$ 775,066.05

*estimates

EDA Housing Programs & Ongoing Funding

Community Development



EDA Housing Programs & Funding

Background

Housing & Redevelopment Authority

- Before creation of an Economic Development Authority in 2016, an HRA was active and pursued several housing initiatives.
- When the EDA was created, all funds and programs of the HRA were transferred to the EDA.
- The EDA has revised and expanded programming to make use of the existing funds.
- Because certain funds originated through the HRA levy, there are restrictions on how that money can be spent.

Funding

- No money has been levied for housing programs through the EDA levy.
- In May of 2023, the EDA authorized staff to reallocate existing fund balances from several EDA-managed funds to continue existing housing programs.
- That funding is nearly gone and additional direction is needed if the EDA wishes to continue its current housing program offerings.

Local Affordable Housing Aid (LAHA)

- In 2023, the Minnesota Legislature created a tax that provides housing aid payments to cities – known as LAHA.
- The goal of the tax was to fund affordable housing projects & initiatives.
- The City is receiving LAHA semi-annually and decisions will need to be made about how and when to spend these funds.
- State law restricts how these funds can be spent.

EDA Housing Programs & Funding

Existing Programs

EDA offers loan programs in 6 different areas:

1. Advisory & Energy Efficiency: Home advisor visits, home energy squad visits, home energy audits, sustainability steward recognition award

- Energy audits & energy squad visits created by HRA
- Home advisor visits started in 2017
- Sustainable Steward Award evolved from the HRA-created Green Award

2. Revolving Loan

- Created in 2017, revised in 2021 by lowering interest rate & moving per-loan admin costs to the EDA levy

3. Senior Deferred Loan

- Created in 2021

4. First Generation Down Payment Assistance Deferred Loan

- Created in 2021

5. Emergency Deferred Loan

- Created in 2021

6. Manufactured Home Loan

- Created in 2021 (never utilized)

EDA Housing Programs & Funding

Existing Programs – Energy Efficiency & Loans

Program as December 1, 2025	Guidelines	Last Levied Funds	Outstanding Balance	Estimated Monthly Income	Remaining Budget
<i>Home Advisor, Home Energy Squad/Energy Audit, Sustainable Steward</i>	Home Advisor visits available to any home owner and required with some of the loan programs. Energy Squad/Audit any home that is 25 years old, no income requirements, and no maximum home value.	EDA 2025	\$36,850 levied annually	\$0	~\$3,000
<i>Roseville Revolving</i>	3% up to \$40,000 on homes 110% of median value (MV). 2026 MV = \$379,400 with 110% = \$417,340. Amortized over 10 years.	HRA 2014	\$857,466.64	\$9,500	\$155,403
<i>Senior Deferred</i>	0% interest rate for up to \$25,000 with deferred payments until home sells. Homes cannot exceed 110% of median value (MV). 2026 MV = \$379,400 with 110% = \$417,340. CEE conducts an inspection to prioritize improvements.	HRA 2014	\$651,185.24	\$0	\$37,874.57
<i>First Generation DPA Deferred</i>	0% interest rate for up to \$25,000 with deferred payments until home sells. Buyer must be first generation, 100% or less AMI and home valued under 110% median value.	HRA 2014	\$175,000	\$0	\$0
<i>Emergency Deferred</i>	Funds to assist with an emergency, which is defined as a condition that makes the house uninhabitable. 0% interest with payments deferred upon sale of home. Income limit of 115% of AMI.	HRA 2014	\$14,500.00	\$0	\$30,500
<i>Manufactured Home Loan</i>	4% interest rate over 10 years. Maximum amount of \$10,000. Improvements can be interior or exterior.	HRA 2014	\$0	\$0	\$30,000

EDA Housing Programs & Funding

Existing Programs – Land Trust

ATTACHMENT 7

Affordable Homeownership Land Trust Partnership with Habitat for Humanity

- Partnership/Program established in 2021.
- Conscious pivot from affordable rental to affordable homeownership.
- Maximum of 4 units added per year has been realized since creation of the partnership due to its popularity – other cities are implementing.
- All but one lot (2 housing units) were acquired from mission-driven sellers or sellers who opted not to make realtor-recommended improvements to their home to ready for sale on the MLS.
- Up-front costs are expensive – per year investment across 99-year trust very affordable.
- Additional gap funding needed beyond the EDA's investment due to acquisition and rehab costs.

Program as of December 1, 2025	Guidelines	REDA Funds	Grants:ARPA,CDBG,LCDA*,LHIA*,Ramsey County HRA	Homes Sold to Buyers	Homes under Rehab	Estimated REDA Fund Balance After 17 homes
<i>Habitat Land Trust</i>	First Time Homebuyer, 80% or Less AMI, targetted to 50-60% AMI	\$483,730	\$2,229,919.46	11	6	\$1,873 + \$160,000*
*LCDA and LHIA are reimbursement grants						

EDA Housing Programs & Funding

Existing Programs

Other EDA Programs

- Grow Roseville economic development marketing – annual levy impact of \$15,000
- Small Business Loan w/MCCD – no levy impacts since 2024 – \$232,934 available
- SAC Credit Policy – credits available
- Public Financing Criteria & Business Subsidy Policy
 - Economic Development tax increment
 - Redevelopment tax increment – 4 active districts
 - Hazardous Substance tax increment – 1 active district
 - Affordable Housing tax increment – 1 active district
 - City's use of tax increment has increased the taxable market value within these districts by over 1,000%

EDA Housing Programs & Funding

REDA-Managed Funds

REDA-Managed Funds

- **720***: Housing Replacement – HRA funds only
- **721****: Community Development Block Grant – HRA-obtained grant funds
- **722***: Property Abatement – HRA funds, abatement payments & assessments
- **723***: Housing & Redevelopment – recycled HRA funds
- **724***: Multi-Family – HRA funds
- **725: Operating** – EDA levy (lowered every year since 2019)
- **726: Small Business** – EDA levy (not funded since 2024)
- **727: Southeast Roseville** – EDA levy (\$40,000 annually), & RLA cooperative funding payments (Maplewood & St. Paul)

*denotes that funds are restricted to HRA authorized uses

**denotes that funds are restricted in accordance with U.S. Department of Housing and Urban Development (HUD) requirements

Fund	Cash Balance (1-5-2026)
720	\$241,873
721	\$235,172
722	\$123,194
723	\$308,797
724	\$1,044,297
725	\$603,815 (\$376,126*)
726	\$232,933
727	\$41,667

*reflects required balance under City's Operating Fund Reserve Policy and \$100,000 use of reserves for 2026 operations

EDA Housing Programs & Funding

Local Affordable Housing Aid (LAHA)

Local Affordable Housing Aid (LAHA)

- Tax created by the 2023 Minnesota Legislature
- Funds can be spent on:
 - Emergency rental assistance
 - Financial support to nonprofit affordable housing providers
 - Affordable housing development & financing
 - Distressed property operations and management
 - Emergency shelter
 - Other – subject to approval by MN Housing & contributes to affordable housing creation and preservation, keeping families housed, and housing the homeless
- Roseville received \$211,213 in 2024 and \$563,752 in 2025
- Funds must be committed within 3 years of receipt and spent by the end of the 4th year after receipt
- Funds cannot “supplant” existing affordable housing funding, but can “supplement” existing efforts
- When using to fund existing programs, the following items need consideration:
 - Whether or not income restrictions are a requirement of the program (or should be)
 - What funding level the program is current at and whether or not that is being maintained
 - Whether the program is currently funded with levy, fund balance, or grants
- Staff has provided conceptual ideas for programming

EDA Housing Programs & Funding

Policy Objectives

Strategic Priority: Economic Vitality

Goal #2

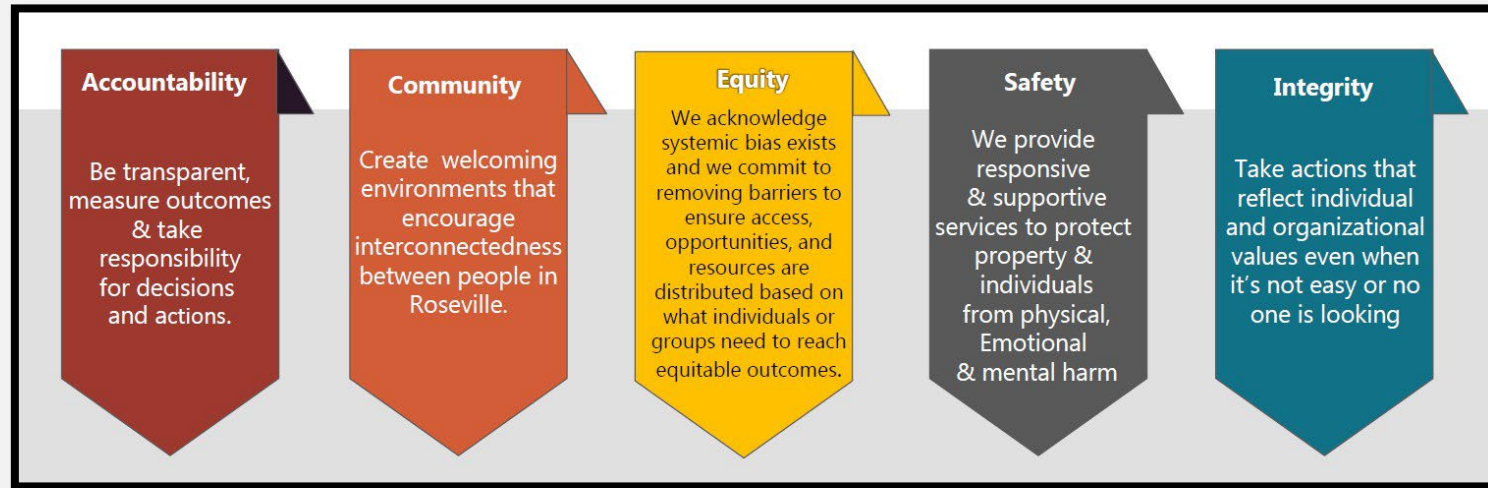
Housing types and programs are provided in a manner that contributes to the economic success for households at all income levels

Success Indicators

Housing in Roseville is provided in a manner to meet the life-cycle continuum.

Roseville residents feel safe, secure, and stable in their housing.

Roseville residents are not cost-burdened by their housing.



Equity Impacts

- Programs are aimed at incomes at or below 115% of the area median income for ownership, 80% of the area median income for rental.
 - Priority is to be given to 80% AMI for ownership and 50% AMI for rental.
- Programs target housing stock valued at or below Roseville's median-valued home (\$379,400 for 2026).
- Decisions to continue or discontinue programs will have equity impacts given the private market has not been able to fully meet the needs of Roseville's existing programs.
- Roseville's existing programs promote:
 - Housing stability
 - Seniors who wish to remain in their homes longer
 - Modernization of aging housing stock
 - Affordability of critical repairs and emergency issues
 - First generation homeownership
- Creation and/or exploration of any new programs would result in completion of the Equity & Inclusion Toolkit to inform decision-making.

EDA Housing Programs & Funding

Staff Recommendation

ATTACHMENT 7

Revolving Loan

<i>Revolving Loan</i>	723, 724	None	Move \$600,000 from Fund 724	LAHA funding would require income restrictions, admin costs could be paid by Fund 723 as opposed to annual levy
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Senior Deferred Loan

<i>Senior Deferred Loan</i>	723, 724	None	Move \$350,000 from Fund 724	LAHA funding would require income restrictions, with \$650,000 already outstanding, staff would not recommend exceeding \$1 million
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Emergency Deferred Loan

<i>Emergency Deferred Loan</i>	LAHA	Forive over 10 years	\$50,000	Proposed budget will last longer than 2 years, forgiveness change proposed given LAHA accounting & reporting requirements
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EDA Housing Programs & Funding

Staff Recommendation

ATTACHMENT 7

1st Generation Down Payment Assistance

1st Generation Down Payment Assistance Deferred Loan	LAHA	Lower income qualification from 100% AMI to 80% AMI, change maximum loan amount from \$25,000 to 10% of purchase price of home, require buyer to bring \$1,000 to closing, forgive over 20 years, cannot stack w/County program	\$160,000	Program revisions aim to assist those with the most need and to align best with LAHA purpose, County's program provides up to \$93,150 so stacking with Roseville's assistance seems excessive
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Manufactured Home Loan

Manufactured Home Loan	n/a	Discontinue	n/a	No loans have originated, County has a grant
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EDA Housing Programs & Funding

Staff Recommendation

ATTACHMENT 7

Community Land Trust

<i>Community Land Trust</i>	LAHA, 720, 721, 724, 725	None	LAHA = \$197,000, Fund 720 & 721 = 100% of balance, Fund 724 = \$94,298, Fund 725 = \$225,702	Proposed LAHA funding is only for acquisition project, 6 homes already in the pipeline will be funded with 720 & 721, lower # of homes to 2/year and fund with 724 and 725. County grant funds provided as DPA, Met Council grant funds are reimburseable and can be recycled for future homes added to the trust
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Home Advisor, Energy Squad, Energy Audit, Sustainable Steward

<i>Home Advisor, Home Energy Squad, Home Energy Audit (includes Sustainable Steward award)</i>	725	None	Maintain current annual budget of \$36,850 (which includes CEE's admin costs)	Actual costs over last 5 years have been lower than budget, but total costs remain difficult to project
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Questions?

THANK YOU

Community Development