

# ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CRYSTAL

## 2014 Work Program

1. **Deferred Home Improvement Loans** (administered by Hennepin County)  
**\$100,000 planned expenditures** (all Community Development Block Grant)

This ongoing program is administered by Hennepin County and offers no-interest loans to Crystal homeowners below 50% of Twin Cities metropolitan area median income. The anticipated funding level would typically allow four projects in Crystal per year. The loans are 100% forgiven after 15 years provided the homeowner continues to own and occupy the property; if they sell or move, the loan is due and payable in full, and the recaptured funds would be used to assist another homeowner in a similar manner. Also available are deferred loans with a modest interest charge for homeowners between 50% and 80% of AMI, but these are funded by other sources. The county's administrative costs are embedded within overall CDBG funding.

2. **Home Improvement Incentive Rebates** (administered by GMHC)  
**\$272,000 planned expenditures**
  - \$228,000 from TIF Housing Districts
  - \$44,000 from EDA Fund

This ongoing program offers a rebate for homeowners who complete home improvement projects. The program is administered by the non-profit Greater Metropolitan Housing Corporation ("GMHC") at its Housing Resource Center located at 2148 44<sup>th</sup> Avenue North in Minneapolis. Homeowners with household income less than 50% of Twin Cities metro area median income ("AMI") qualify for a 20% rebate (TIF-funded); 50%-80% AMI qualify for a 15% rebate (TIF-funded); 80%-120% AMI qualify for a 10% rebate (EDA-funded). Households over 120% AMI are not eligible.

To be eligible for a rebate, the application must be made before beginning the project, and the project must have a total cost of at least \$2,000. No property may receive rebates totaling more than \$10,000 in one year.

3. **Community Fix-Up Fund Interest Rate Buy-Down** (administered by GMHC)  
**\$25,000 planned expenditures** from TIF Housing Districts

The EDA will provide funds to buy down the interest rate for Crystal homeowners using Community Fix-Up Fund loans from GMHC's Housing Resource Center. Maximum household income is 100% of the Twin Cities metro area median income (if a household of 1-2 people) or 115% (if a household of 3+ people).

Minimum loan is \$2,000; maximum is \$35,000. Maximum loan-to-value ratio is 110% of the after-rehab value. Maximum loan term is 10 years (for loans up to \$10,000) or 20 years (for loans over \$10,000). The interest rate, normally 5.75%, will be discounted to 3%. There are no administrative costs for the EDA.

**4. Scattered Site Acquisition/Demolition and Lot Sales**

**\$100,000 planned expenditures** from EDA Fund

**\$285,000 planned revenues** to EDA Fund

This would be a continuation of the city's longstanding acquisition, demolition and lot sale program. The adopted budgets are based on two properties being acquired/demolished and six lots being sold for new house construction, although actual property purchases and sales would depend on market conditions and each transaction requires specific EDA board approval. As opportunities arise, additional property acquisitions may be authorized by the EDA using the fund balance.

**6. Other Redevelopment**

The Cavanagh (5401 51<sup>st</sup> Avenue North) will be a four story, 130 unit, age-restricted rental building addressed as 5401 51<sup>st</sup> Avenue North. Unit sizes will range from 1BR-1BA to 2BR-2BA and all units will be affordable to households at or below 60% of Twin Cities metropolitan area median income. The EDA will sell the 4.3 acre site to Dominion in the first quarter of 2014. Construction will begin in spring 2014 and be completed in summer 2015.

Excess Hwy 100 Property from MnDOT. The EDA obligated \$255,000 of available increment from expired TIF District #1 (#2150) to acquire 5501 32<sup>nd</sup> which is a 2.6 acre site zoned low density residential for up to 14 units. The purchase will close as soon as Engineering staff and Three Rivers Park District finalize an easement for the Bassett Creek Regional Trail which will be located between this development site and the noise wall.

**7. Redevelopment Fund Balance**

The EDA board may authorize expenditure of part of its fund balances during the year to respond to unforeseen opportunities. The amount available at any particular time cannot be predicted because the fund balance varies throughout the year depending on expenditures incurred and, especially, revenue from unanticipated property sales. The EDA board would consider the condition of a particular fund balance when considering expenditures from same.