City of Blaine
Economic Development Authority

January 3, 2024 | 8:00 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

The purpose of the Blaine Economic Development Authority is to increase the City's commercial/industrial tax base, provide employment opportunities, undertake redevelopment to enhance and maintain neighborhood economic stability, and address special needs, such as senior housing. As authorized under Minnesota State statutes, the Blaine City Council also serves as the Blaine Economic Development Authority.

AGENDA

1. Call to Order

2. Roll Call

3. Approval of Minutes

3.1. 2024-017 Approval of the December 18, 2023 Economic Development Authority (EDA) Minutes
Sponsors: Erik Thorvig, Community Development Director

4. New Business

4.1. RES 24-14 Resolution Approving Updated Home Improvement Grant and Loan Program Terms
Sponsors: Elizabeth Showalter, Community Development Specialist

5. Old Business

6. Adjournment

City of Blaine
Economic Development Authority

December 18, 2023 | 8:00 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

MINUTES

1. Call to Order

The meeting was called to order at 8:27 PM by President Sanders followed by the Roll Call.

2. Roll Call

PRESENT: President Tim Sanders, Commissioners Terra Fleming, Leslie Larson, Chris Massoglia, Tom Newland, Jess Robertson, and Lori Saroya.

ABSENT: None.

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Erik Thorvig; City Planner Sheila Sellman; Safety Services Director/Police Chief Brian Podany; Captain Mark Boerboom; Captain Matt Carlson; Officer Justin Pohlman; Finance Director Jason Zimmerman; Finance Analyst Jenna Trittin; Director of Engineering Dan Schluender; City Attorney Tom Loonan; Senior Parks and Recreation Manager Jerome Krieger; Communications Manager Ben Hayle; and City Clerk Catherine Sorensen.

3. Approval of Minutes

3.1. 2023-591 Approval of the November 20, 2023 Economic Development Authority (EDA) Minutes
Sponsors: Erik Thorvig, Community Development Director

Moved by Commissioner Newland, seconded by Commissioner Massolgia, that the Minutes of November 20, 2023, be approved.

Motion adopted unanimously.

4. Public Hearing

4.1. RES 23-212 Approval of Minnesota Investment Fund Application in Connection with City of Blaine EDA for the Chandler Industries Project

Sponsors: Erik Thorvig, Community Development Director

Community Development Director Thorvig stated Chandler Industries is a privately owned multi-site contract manufacturer of precision machined and fabricated sheet metal components and assemblies. Chandler was founded in 1962 by Chandler Olsen in Montevideo, MN. After two subsequent ownership changes, it was acquired in April 2011 by Arch Equity Partners, a private investment firm located in St. Louis, MO who formed Chandler Investment Group (CIG), which owns Chandler Industries, Inc. After the initial acquisition of Chandler, the company expanded its operations by acquiring 4 additional businesses in Minnesota. In 2023, Chandler consolidated its Minneapolis and Bethel divisions into a single new division in Blaine at the new Blaine 35 project located at 35W and County Road J. The Blaine division also serves as Chandler's corporate headquarters. Chandler currently serves customers in the aerospace, defense, industrial, medical, space and semiconductor, and electronic connector markets. Chandler employs approximately 300 people across all divisions.

Mr. Thorvig reported the request for Minnesota Investment Fund assistance will assist in 3 primary areas – Machining, Assembly, and Quality. The project requires two large capital expenditure investments – $395,990 for a Haas VF-9 and $627,998 for a DMG DMU-50. The machining will take place in Chandler Industries' existing 100,000 SF leased facility, with approximately 1,000 SF used for each machine cell. Required leasehold improvements will primarily be for machine installation and work-cell setup and will not exceed $50,000. In addition to the capital expenditures, Chandler will expand the assembly and quality teams and work areas to support the increased volume by 10 jobs. Chandler Industries has been working with the City of Blaine and the Minnesota Department of Employment and Economic Development (DEED) to help identify programs that can assist with these expenditures. Chandler is proposing to finance the project with a combination of bank financing and a $320,000 loan from the Minnesota Investment Fund (MIF), a DEED Program. The MIF provides financing to help add new workers and retain high-quality jobs on a statewide basis in manufacturing and technology-related industries. The MIF loan application is prepared and submitted by City staff and funds are awarded to the local unit of government (EDA) who provides the loan to the eligible business. Therefore, the City will act as a pass-through and administrator for the loan.

Mr. Thorvig reported the MIF loan amount requested is $320,000. The Blaine EDA is allowed to set the interest rate between 0-3%, which staff has proposed at 0% which is consistent with other MIF loans in the state. Any interest collected would be split between DEED and the City. The no/low interest rate of MIF is attractive for businesses. The term is 7 years. This project is repayable only and does not qualify for partial loan forgiveness. The MIF loan is backed by collateral which will be collected in the event of default. Assuming the resolution is approved, staff will submit the application forward for approval to DEED. If the loan is approved, Chandler will begin hiring and capital expenditures immediately.

President Sanders opened the public hearing at 8:31PM.

There being no comments from the public, President Sanders closed the public hearing at 8:31PM.

Moved by Commissioner Newland, seconded by Commissioner Massoglia, to Approve the Minnesota Investment Fund Application in Connection with City of Blaine EDA for the Chandler Industries Project.

Commissioner Robertson thanked Chandler Industries for choosing Blaine.

Motion adopted unanimously.

5. New Business

5.1. RES 23-198 Approving Amendment to the Purchase Agreement for 10550 Radisson Road and Lease Agreement

Sponsors: Erik Thorvig, Community Development Director

Mr. Thorvig stated on August 21, 2023, the EDA approved a purchase agreement for the property at 10550 Radisson Road. The property is owned by Busch Investments, LLC and Dusty's Truck Repair is located on the property. The business and property are mutually owned. This property is part of the 105th Avenue redevelopment area. City staff approached the owners in April 2023 regarding whether they would be interested in selling. After several meetings and correspondence, the EDA and owner agreed to a purchase price of $1,683,000. This purchase price was part of the purchase agreement approved by the EDA in August. Since then, the owners have requested an increase to the purchase price that was originally agreed upon. The City Council/EDA discussed an amended offer at a closed session on November 20, 2023. The EDA offered an increase in the sale price to $1,744,200, which the owner has agreed to. A revision to the purchase agreement is necessary to reflect the new purchase price. Closing would occur on or before January 31, 2024.

Mr. Thorvig explained the current owner/business has indicated a desire to stay at the property through a portion of the summer. This arrangement can be accommodated through a lease agreement where the EDA would close on the property and allow the business to remain as a tenant. This occurred with Blake Driling when the EDA acquired their property at 10600 Radisson Road in 2021. The lease agreement identifies the ability for the business to remain until June 30, 2024, with a potential of 30-day extensions mutually agreed upon by both parties. Development isn't anticipated in this portion of the project until 2025, so there may be flexibility in the timing of when the business needs to vacate, dependent on the business needs and when the developer will purchase property from the EDA and begin construction. The company will lease the property for $1 and be responsible for all maintenance and utilities. The EDA will be responsible for property taxes during the lease period.

Moved by Commissioner Robertson, seconded by Commissioner Newland, to approve an Amendment to the Purchase Agreement for 10550 Radisson Road and Lease Agreement.

Commissioner Saroya explained she would not be supporting this project or any other project within the 105th Area Redevelopment project due to pending and ongoing conflict of interests concerns for her constituents.

Motion adopted 6-1 (Commissioner Saroya opposed).

5.2. RES 23-206 Adopt the 2024 EDA Fund Budget and Property Tax Levy
Sponsors: Jason Zimmerman, Finance Director

Finance Director Zimmerman stated the board is asked to adopt the 2024 Property Tax Levy and EDA Budget. The proposed final 2024 EDA levy is equal to the preliminary levy amount of $1,000,000. As previously noted, this levy is proposed to be the same as the 2023 levy. At the proposed preliminary levy amount, the median value single family property in Blaine valued at $327,400, which experienced an increase in valuation of 2.18%, is estimated to have the EDA's share of their property tax bill decrease by approximately $3.20 or 11.65% for 2024. As a reminder, assessed values are still subject to change slightly. The proposed levy is anticipated to result in an approximate tax capacity rate of 0.759%.

Moved by Commissioner Fleming, seconded by Commissioner Massoglia, to Adopt the 2024 EDA Fund Budget and Property Tax Levy.

Motion adopted unanimously.

6. Old Business

None.

7. Adjournment

Moved by Commissioner Robertson, seconded by Commissioner Newland, to adjourn the meeting at 8:41PM.

Motion adopted unanimously.

City of Blaine
Staff Report

File Number: RES 24-14

Agenda Date	Status
January 3, 2024	
In Control	**File Type**
Economic Development Authority	Resolution

New Business - Elizabeth Showalter, Community Development Specialist

Agenda Item # 4.1

Resolution Approving Updated Home Improvement Grant and Loan Program Terms

Executive Summary

Staff is proposing minor changes to the home improvement program grant and loan terms to promote clarity and adjust for market conditions.

Background

The EDA has offered home improvement loans for several decades and started offering small grants in 2022. Staff is proposing minor changes to the program terms at this time.

Down Payment Assistance

The EDA offers $5,000-$10,000 in down payment assistance as a deferred loan to first-time home buyers. One of the program terms is a maximum purchase price of $350,000, which was the median 2021 purchase price in Blaine, according to the Minneapolis Area Association of Realtors. The median purchase price is now approximately $375,000, so staff is recommending increasing the maximum purchase price to match the median value.

Loan Programs

The EDA offers a variety of home improvement loans. No substantial changes are proposed to the programs. However, some housekeeping changes are proposed to clarify that work started prior to obtaining the loan is not eligible for any of the loan programs. This is currently a requirement of the general and last resort loan programs, and is proposed to be added to the rental property loan program and accessibility loan programs.

Grant Programs

Changes proposed are to improve clarity and include:

1. Clarifying that each program can only be used one time by an applicant. This was the original intent, but was not well reflected in the terms. The grant program has been approved for a five-year pilot program, and if the EDA chooses to continue the program after that time, the EDA can consider allowing repeat participation after a set timeline.
2. Clarifying when improvements must be added (as opposed to replacing existing) to qualify as a beautification project or exterior upgrade.

The program changes are attached with changes marked in red.

A brief update on the program participation will be provided at the EDA meeting.

Strategic Plan Relationship

Not applicable. Maintaining the quality of existing housing is a goal in the current Comprehensive Land Use Plan.

Board/Commission Review

Not applicable.

Financial Impact

All of the subject programs are funded out of the home improvement loan fund, which is a separate fund under the umbrella of the EDA. The only financial impact to that fund from these changes is more homes being eligible for the down payment assistance program. However, the same proportion of homes will be eligible as when the program was created.

Public Outreach/Input

Changes are based on conversations with program participants.

Staff Recommendation

Staff recommends approval of the proposed changes.

Attachment List

1. Exhibit A: 2024 Terms
2. Slides

City of Blaine

Signature Copy

Resolution: RES 24-14

Resolution Approving Updated Home Improvement Grant and Loan Program Terms

WHEREAS, the EDA offers a variety of programs to promote home improvement and affordable home ownership; and

WHEREAS, the proposed changes to program terms improve clarity and adjust to market conditions; and

NOW THEREFORE, BE IT RESOLVED, that the Blaine Economic Development Authority hereby approves updated terms for the Home Improvement Grant and Loan Programs, attached as Exhibit A.

PASSED by the Blaine Economic Development Authority this 3rd day of January, 2024.

B2 - Program Overview	The City of Blaine Economic Development Authority's Program consists of 6 distinct offerings: a fixed rate- Home Improvement Program, a fixed rate- Home Improvement Program for manufactured homes, and a "Last Resort" Deferred Loan Program, a deferred Accessibility Loan Progam, Down Payment Assistsance, and a fixed rate Rental Property Loan Program. The Blaine EDA Program is designed to supplement additional loan programs available from a variety of housing resources. Center for Energy and Environment shall serve as the administrator for the Blaine EDA's Program and will provide financing the borrower is best qualified for regardless of the funding source.					
2024	**Home Improvement**	**Manufactured Home Improvement**	**Last Resort**	**Accessibility**	**Down Payment Assistance**	**Rental Property**
Interest Rate	10 year Treasury Note +1.75% (as of January 1 of the year the loan application was received). 10 year Treasury Note +1.5% when the city is in first position		0%	0%	0%	10 year Treasury Note +1.75% (as of January 1 of the year the loanapplicaiton was received). 10 year Treasury Note+1.5% when the city is in first position
Amortization Type	Amortizing (monthly payments required)		Deferred	Deferred	Deferred	Amortizing (monthly payments required)
Loan Amount	Minimum: $2,500 Maximum: $50,000	Minimum: $2,500 Maximum: $7,500	Maximum: *$10,000 for 1-4 unit homes *$7,500 for manufactured homes	Minimum: $2,500 Maximum: $10,000	Current Blaine Residents or Employees: $10,000 All Others: $5,000	Minimum: $5,000 Maximum: $50,000
Total Project Cost/Match	The borrower must have sufficient funds necessary to cover the cost of the entire project (as outlined in the bid(s)). Additional funds may come from the borrower's personal savings, bona fide gifts or other non-Blaine EDA loans.					
Term	Minimum: 1-year Maximum: 20-years	Minimum: 1-year Maximum: 8-years	The loan is due and payment required in its entirety if the borrower sells or transfers ownership of the property prior to the end of the 20th year after the loan closing. After 20 years of ownership, the loan is entirely forgiven.	The loan is due and payment required in its entirety if the borrower sells or transfers ownership of the property prior to the end of the 30th year after the loan closing. After 30 years of ownership, the loan is entirely forgiven.	The loan is due and payment required in its entirety if the borrower sells or transfers ownership of the property prior to the end of the 30th year after the loan closing. After 30 years of ownership, the loan is due in full.	Minimum: 1 year Maximum: 20 years
Eligible Properties	*1-4 Unit Homes, including *Condos *Townhomes *Mixed-use properties (for Residential space only)	Owner occupied, manufactured homes located within the City of Blaine. Manufactured homes registered and secured with a VIN number and not classified as real estate are eligible.	*1-4 unit owner occupied residential properties located within the City of Blaine. *Manufactured Homes * Condos or Town homes are eligible.	*1-4 unit owner occupied residential properties located within the City of Blaine. *Manufactured Homes * Condos or Town homes are eligible.	*1-4 unit owner occupied residential properties located within the City of Blaine with a maximum purchase price of $375,000 ~~$350,000~~. * Condos or Town homes are eligible.	1-12 unit rental properties. Single units of condos or townhomes occupied by renters are eligible. Property must have a passing result on the most recent rental inspection, or be rectifying the violation(s) as part of the project.
Ineligible Properties	*Dwellings with more than 4 units *Co-ops *Manufactured homes not classified as real estate *Properties used for commercial purposes	*Properties used for commercial purposes	*Dwellings with more than 4 units *Co-ops *Properties used for commercial purposes	*Dwellings with more than 4 units *Co-ops *Properties used for commercial purposes	*Dwellings with more than 4 units *Co-ops *Manufactured homes *Properties used for commercial purposes	*Dwellings with more than 12 units *Co-ops *Manufactured homes

<table>
<tr><th>2024</th><th>Home Improvement</th><th>Manufactured Home Improvement</th><th>Last Resort</th><th>Accessibility</th><th>Down Payment Assistance</th><th>Rental Property</th></tr>
<tr><td>Eligible Borrowers</td><td colspan="5">All borrowers must be a legal resident of the United States, as evidenced by a social security number, including:
*U.S. Citizens
*Permanent Resident Aliens
*Non-Permanent Resident Aliens
Tax identification numbers (ITIN) are not acceptable

Ineligible Borrowers:
* City of Blaine Economic Development Authority members during their term.
*Foreign National
*Non-Occupant Co-Borrowers
*Properties held in the name of a Trust
*Loans made in the name of an Association, Business, Partnerships, LLC, etc.
LAST RESORT LOAN PROGRAM ONLY In addition to standard guidelines listed above, borrowers must not qualify for any other home improvement loan or grant programs. Applicants will be considered for this program only after it is determined that they are not eligible for any other programs available through CEE.
ACCESSIBILITY LOAN PROGRAM ONLY In addition to the standard guidelines listed above, the household of the borrower must include a disabled household resident (a person who has a permanent physical or mental condition which substantially reduces the person’s ability to function in a residential setting).
DOWN PAYMENT ASSISTANCE ONLY In addition to the standard guidelines listed above, borrowers must be first time home buyers, defined as not owning a home in the last 3 years. Borrowers must complete a HUD approved first time home buyer course.</td><td>All borrowers must be a legal resident of the United States, as evidenced by a social security number, including:
*U.S. Citizens
*Permanent Resident Aliens
*Non-Permanent Resident Aliens
Tax identification numbers (ITIN) are not acceptable
Or a LLC, Partnership or Corporation registered with the MN Secretary of State. Personal guarentee required for loans over $10,000
Ineligible Borrowers:
* City of Blaine Economic Development Authority members during their term.</td></tr>
<tr><td>Ownership/Occupancy</td><td colspan="5">*Owner Occupied Primary Residences only
*Contracts-for-Deed are NOT eligible</td><td>Property must be renter occupied. In a multi-unit building, one of the units may be occupied by the owner.</td></tr>
<tr><td>Loan-to-Value</td><td>110%</td><td>Not applicable</td><td>110%</td><td>110%</td><td>Borrow must contribute at least 1% of the purchase price</td><td>110%</td></tr>
<tr><td>Income Requirements</td><td>None</td><td>None</td><td>Limited to 110% of the most current HUD Adjusted Median Income limits, based on family size.
Income is determined by the most recent tax return</td><td>Limited to 110% of the most current HUD Adjusted Median Income limits, based on family size.
Income is determined by the most recent tax return</td><td>Limited to 110% of the most current HUD Adjusted Median Income limits, based on family size.
Income is determined by the most recent tax return</td><td>No income limits</td></tr>
<tr><td>Debt-to-Income Ratio</td><td colspan="2">Maximum 55% (calculated using the applicants <u>current</u> income levels as determined by CEE.</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td></tr>
<tr><td>Credit Requirements</td><td colspan="2">1) No 90+ day late payments in the past 12 months (without reasonable explanation)
2) No Bankruptcy within past 18 months (without reasonable explanation)
3) All Mortgage/housing payments must be current
4) All real estate taxes must be current</td><td>This is a last resort program: the borrower must not be eligible for any other financing in order to obtain a Last Resort loan.
*Pending Bankruptcy or Foreclosures are not permitted
*Real Estate taxes must be current
*All Mortgage payments must be current</td><td colspan="3">1) No 90+ day late payments in the past 12 months (without reasonable explanation)
2) No Bankruptcy within past 18 months years (without reasonable explanation)
3) All Mortgage/housing payments must be current
4) All real estate taxes must be current</td></tr>
</table>

2024	Home Improvement	Manufactured Home Improvement	Last Resort	Accessibility	Down Payment Assistance	Rental Property
Multiple Loans per Borrower/Property	The borrower may have more than one loan, subject to ability to qualify and based upon funds availability. Cumulative outstanding balance is not to exceed the program maximum loan amount.		The borrower may have more than one loan, subject to ability to qualify and based upon funds availability. Cumulative outstanding balance of all deferred loans on all properties cannot exceed the program maximum loan amount.	The borrower may have more than one loan, subject to ability to qualify and based upon funds availability. Cumulative outstanding balance of all deferred loans on all properties cannot exceed the program maximum loan amount.	Borrowers may receive one down payment assistance loan. Borrowers may utilize other city loan programs to finance improvements to the home, subject to ability to qualify and based upon funds availability.	The borrower may have more than one loan, subject to ability to qualify and based upon funds availability. Cumulative outstanding balance is not to exceed the program maximum loan amount.
Eligible Improvements	Most permanent interior and exterior improvements are eligible.		This program is available to make emergency repairs or to address existing housing code violations. Code violations are determined by reading the City of Blaine's documentation. Emergency repairs are determined by an inspection from a CEE inspections staff member. If emergency status of a project is uncertain, the City of Blaine EDA's decision shall be final.	Accessibility improvements, defined as interior or exterior improvements or modifications to a residential dwelling that are necessary to enable a person with a disability to function in a residential setting. Accessibility improvements must be listed on an Accessibility and Disability Verification form signed by a licensed physician. Projects may include, but are not limited to: 1. Constructing ramps 2. Widening doorways 3. Non-slip flooring 4. Grab bars 5. Accessible vanities and showers 6. Chair and platform lifts		1. Exterior Projects a. Siding/Brick/Stucco repair and replacement b. Windows c. Doors d. Roofs e. Landscaping f. Parking lots g. Sidewalks 2. Accessibility Improvements 3. Security systems 4. Parking lot lighting 5. Fire suppression 6. Fire alarm systems 7. Rectifying violations identified in rental property inspections
Ineligible Improvements	Work initiated prior to the loan being approved and closed, recreation or luxury items including but not limited to pools, hot tub/saunas, lawn sprinklers, playground equipment, furniture and non-permanent appliances (unless part of complete kitchen remodel) In addition, ineligible use of funds would be for use as working capital, debt service or to refinance existing debts.		Includes non emergency or non code violation projects, work initiated prior to the loan being approved and closed, recreation or luxury items including pools, hot tub /saunas, lawn sprinklers, playground equipment, furniture and non-permanent appliances. In addition, ineligible use of funds would be for use as working capital, debt service or to refinance existing debts.	Items not identified by a licensed physician as providing a medical benefit to the member of the household with a disability and any work initiated prior to the loan being aproved and closed.In addition, ineligible use of funds would be for use as working capital, debt service or to refinance existing debts.	N/A	Any work initiated prior to the loan being aproved and closed.In addition, ineligible use of funds would be for use as working capital, debt service or to refinance existing debts.
Bids	2 bids are required when work from any one contractor exceeds $15,000 otherwise only 1 bid is required. All contractors must be properly licensed. Permits must be obtained where required; when not required, a post installation inspection will be performed by CEE to ensure the work has been completed.				N/A	2 bids are required when work from any one contractor exceeds $15,000 otherwise only 1 bid is required. All contractors must be properly licensed. Permits must be obtained where required; when not required, a post installation inspection will be performed by CEE to ensure the work has been completed.

2024	Home Improvement	Manufactured Home Improvement	Last Resort	Accessibility	Down Payment Assistance	Rental Property
Sweat Equity/Homeowner Labor	Work may be performed by property owners on a "sweat equity" basis, except for projects utilizing Last Resort funds , which require licensed contractor to perform the work. Loan funds may be used only for the purchase of materials. Loan funds cannot be used to purchase tools or equipment or compensate for labor.				N/A	Work may be performed by property owners on a "sweat equity" basis~~, except for projects utilizing Last Resort funds , which require licensed contractor to perform the work~~. Loan funds may be used only for the purchase of materials. Loan funds cannot be used to purchase tools or equipment or compensate for labor.
Property Inspection	Not required		Required prior to Loan Approval to determine Emergency conditions.	Not required.	Not required.	Not required.
Post-Install Inspection	Properties are subject to inspection by a CEE inspector or where permit is required, work must be signed off by City inspector, prior to the release of funds.			Properties are subject to inspection by a CEE inspector or where permit is required, work must be signed off by City inspector, prior to the release of funds.	N/A	Properties are subject to inspection by a CEE inspector or where permit is required, work must be signed off by City inspector, prior to the release of funds.
Work Completion Deadline	Work must be completed within 120-days of loan closing.		Work must be completed within 60-days of loan closing.	Work must be completed within 120-days of loan closing.	N/A	Work must be completed within 120-days of loan closing.
Borrower fees	All applicable closing fees including, but not limited to: 1% Origination Fee, Document Preparation fee, credit report, flood, title, mortgage filing fees, etc. The Origination Fee and Document Preparation Fee may be financed as part of the loan.				All applicable mortage filing fees	All applicable closing fees including, but not limited to: 1% Origination Fee, Document Preparation fee, credit report, flood, title, mortgage filing fees, etc. The Origination Fee and Document Preparation Fee may be financed as part of the loan.
Residential Advisor Visit ("RAV")	CEE will assist any property owner desiring assistance in evaluating the improvements to their property and can assist property owners in evaluating bids. Property owners are permitted 1 "RAV" per property.					N/A

Major Remodeling Grant Program

Program Intention	To provide financial incentives for homeowners to complete major remodeling projects, and to include exterior aesthetic improvements
Amount	Grant of $1,000-7,500 (5-15% of project cost)
Total Projected Cost/Match	It is the applicant's responsibility to obtain the amount of funds necessary to complete the project. Fund source shall be identified by the grantee on the grant application. Loans provided by the City of Blaine through the Center for Energy and Environment may be used to fund the balance of the project.
Eligible Properties	Single family residential homes or townhomes located on individual parcels that are at least 30 years old with an estimated market value for the assessment year prior to the current year less than or equal to $400,000, located in the City of Blaine and homesteaded.
Eligible Grantees	Legal residents of the United States with social security numbers, who have not previously received a Major Remodeling Grant.
Eligible Projects	Qualifying projects must total $35,000 in cost and include at least one major remodeling project. Major remodeling projects are: 1. Building an addition 2. Building a sunroom 3. Finishing an unfinished space 4. Constructing a covered front porch 5. Converting a garage into livable space (minimum garage space required by code must remain) 6. Major kitchen, bathroom or basement remodel 7. Adding a bathroom 8. Reconfiguring living space (moving walls) The reimbursement rate is determined by the number of exterior upgrade projects visible from the street: 1. Altering the roofline 2. Constructing or enhancing columns at the front door 3. Building a covered front porch 4. Enhancing the front of the house with brick, stone, or shake 5. Upgrading the front door and/or garage door if it faces the street 6. Enhancing front façade with shutters, decorative lighting, window boxes, or other similar elements (minimum cost of $1,000) 7. Major landscaping (minimum cost of $2,000) 8. Other elements as approved by the EDA staff (does not include maintenance work such as replacing siding or windows) Total project cost includes projects listed as major remodeling or exterior upgrades as well as siding, windows, roofs, trim, gutters, porches, and decks. Projects including two exterior upgrades are reimbursed at a rate of 15% of the project cost, up to $7,500

	Projects including one exterior upgrade are reimbursed at a rate of 10% of the project cost, up to $5,000 Projects including no exterior upgrades are reimbursed at a rate of 5% of the project cost, up to $2,500.
Ineligible Improvements	Any work initiated before grant approval will not be eligible. Deposits for contractors or materials may be paid prior to grant approval, but no work may be completed. New garages or expansions of existing garages are not eligible for reimbursement.
Sweat Equity/Homeowner Labor	Work can be performed on a sweat equity basis. Grant funds cannot be used for labor or equipment, only for materials. Materials must be purchased and installed prior to the disbursement of the grant proceeds. When applicable, a city permit must be obtained
Property Inspection	A property inspection will be performed to determine project eligibility
Post-Install Inspection	Prior to the release of grant proceeds, the property is subject to inspection by an EDA inspector and all required building permit inspections must be successfully completed
Bids	1 bid is required. Bids must detail the scope of work to be completed, the associated costs and any rebates
Work completion	All work must be completed with 180 days of execution of a grant agreement. This may be extended on a case by case basis by the EDA staff.
Disbursement of Funds	Funds are held by the EDA and payment is made to the homeowner. The following items must be received prior to final disbursement of funds: 1. Paid invoices and/or receipts for all work and materials 2. Final inspection completed by building inspector (if necessary) 3. Inspection by EDA staff 4. Completion certificate signed by homeowner 5. Completed W-9
Annual Budget	No annual budget applies to this program.

Front Door Grant Program

Program Intention	To provide financial incentives for homeowners to increase the curb appeal of their home by making improvements on the street side of their home.
Amount	Grant of up to $5,000 (15-25% of project cost)
Minimum Project Cost	$4,000
Total Projected Cost/Match	It is the applicant's responsibility to obtain the amount of funds necessary to complete the project. Fund source shall be identified by the grantee on the grant application. Loans provided by the City of Blaine through the Center for Energy and Environment may be used to fund the balance of the project.
Eligible Properties	Single family residential properties at least 30 years old with an estimated market value for the assessment year prior to the current year less than or equal to $400,000, located in the City of Blaine and homesteaded.
Eligible Grantees	Legal residents of the United States with social security numbers who have not previously received a Front Door Grant.
Eligible Projects	Projects must include at least one beautification project and a beautification project cost of at least $1,000. Project must be visible from the street. Beautification projects-reimbursed at 25% of cost 1. Front door, storm door, and/or garage door 2. Sidelight windows by front door 3. Adding or enhancing columns at front door 4. Adding a covered front porch 5. Adding brick, stone, or shakes to the front of the house 6. Alter roofline on front side of house 7. Permanent landscaping 8. Window boxes and shutters 9. Screening of utility boxes and/or garbage cans 10. Maintenance free decorative fence (wrought iron, composite, other similar materials) 11. Decorative lighting 12. Adding bay window Basic projects-reimbursed at 15% of cost 1. Roof 2. Siding 3. Painting 4. Soffit or fascia 5. Trim 6. Gutters 7. Windows 8. Chimney repair, tuck pointing, repointing 9. Deck or porch – front yard or side yard visible from front of house (repair or replace) 10. Retaining wall (repair or replace)

	11. Driveway, sidewalk (repair or replace)
Ineligible Improvements	Any work initiated before grant approval will not be eligible. Deposits for contractors or materials may be paid prior to grant approval, but no work may be completed.
Sweat Equity/Homeowner Labor	Work can be performed on a sweat equity basis. Grant funds cannot be used for labor or equipment, only for materials. Materials must be purchased and installed prior to the disbursement of the grant proceeds. When applicable, a city permit must be obtained
Property Inspection	A property inspection will be performed to determine project eligibility
Post-Install Inspection	Prior to the release of grant proceeds, the property is subject to inspection by an EDA inspector and all required building permit inspections must be successfully completed
Bids	1 bid is required. Bids must detail the scope of work to be completed, the associated costs and any rebates
Work completion	All work must be completed with 180 days of execution of a grant agreement. This may be extended on a case by case basis by the EDA staff.
Disbursement of Funds	Funds are held by the EDA and payment is made to the homeowner. The following items must be received prior to final disbursement of funds: 1. Paid invoices and/or receipts for all work and materials 2. Final inspection completed by building inspector (if necessary) 3. Inspection by EDA staff 4. Completion certificate signed by homeowner 5. Completed W-9
Annual Budget	The Front Door Program and the Manufactured Home Beautification program are subject to a combined budget of $150,000 per year. Grant funds are reserved upon execution of a grant agreement.

Manufactured Home Beautification Grant Program

Program Intention	To provide financial incentives for homeowners to increase the curb appeal of their home by making improvements to the exterior of their homes
Amount	Grant of up to $3000 (15-25% of project cost)
Minimum Project Cost	$2,000
Total Projected Cost/Match	It is the applicant's responsibility to obtain the amount of funds necessary to complete the project. Fund source shall be identified by the grantee on the grant application. Loans provided by the City of Blaine through the Center for Energy and Environment may be used to fund the balance of the project.
Eligible Properties	Manufactured homes located in the City of Blaine 20 years old or older. Homes must be owner occupied and have an affidavit of owner occupancy executed as part of the grant agreement. A copy of the title must be submitted with the application to verify the age of the home.
Eligible Grantees	Legal residents of the United States with social security numbers who have not previously received a Manufactured Home Beautification Grant.
Eligible Projects	Projects may include any combination of beautification projects and basic projects. Beautification projects (reimbursed at 25% of cost) 1. Front door and/or storm door 2. Window boxes, shutters 3. Deck/steps/ramp Basic projects (reimbursed at 15% of cost) 1. Roof 2. Siding 3. Painting 4. Soffit 5. Fascia 6. Trim 7. Gutter 8. Windows 9. Skirting
Ineligible Improvements	Any work initiated before grant approval will not be eligible.
Sweat Equity/Homeowner Labor	Work can be performed on a sweat equity basis. Grant funds cannot be used for labor or equipment, only for materials. Materials must be purchased and installed prior to the disbursement of the grant proceeds. When applicable, a city permit must be obtained
Property Inspection	A property inspection will be performed to determine project eligibility
Post-Install Inspection	Prior to the release of grant proceeds, the property is subject to inspection by an EDA inspector and all required building permit inspections must be successfully completed

Bids	1 bid is required. Bids must detail the scope of work to be completed, the associated costs and any rebates
Work completion	All work must be completed with 180 days of execution of a grant agreement. This may be extended on a case by case basis by the EDA staff.
Disbursement of Funds	Funds are held by the EDA and payment is made to the homeowner. The following items must be received prior to final disbursement of funds: 1. Paid invoices and/or receipts for all work and materials 2. Final inspection completed by building inspector (if necessary) 3. Inspection by EDA staff 4. Completion certificate signed by homeowner 5. Completed W-9
Annual Budget	The Front Door Program and the Manufactured Home Beautification program are subject to a combined budget of $150,000 per year. Grant funds are reserved upon execution of a grant agreement.

Rental Property Grant Program

Program Intention	To provide financial incentives for owners of rental properties to improve exterior appearance and reduce burden on city services through installation of security and fire prevention and suppression.
Amount	Grant of up to $5,000 (5% of project cost)
Minimum Project Cost	$10,000
Total Projected Cost/Match	It is the applicant's responsibility to obtain the amount of funds necessary to complete the project. Fund source shall be identified by the grantee on the grant application. Loans provided by the City of Blaine through the Center for Energy and Environment may be used to fund up to $50,000 of the project cost
Eligible Properties	Renter occupied homes located in the City of Blaine with 1-12 units and at least 30 years old. Properties must have received a passing result from the most recent rental property inspection, or will be rectifying the violations as part of the project. Funds will not be dispersed until all violations have been resolved. Properties must not have previously received a grant through the Rental Property Grant Program.
Eligible Grantees	Legal residents of the United States with social security numbers, sole proprietors, and corporations.
Eligible Projects	1. Exterior Projects a. Siding b. Windows c. Doors d. Roofs e. Landscaping f. Parking lots g. Sidewalks 2. Accessibility Improvements 3. Security systems 4. Parking lot lighting 5. Fire suppression 6. Fire alarm systems
Ineligible Improvements	Any work initiated before grant approval will not be eligible.
Sweat Equity/Homeowner Labor	Work can be performed on a sweat equity basis. Grant funds cannot be used for labor or equipment, only for materials. Materials must be purchased and installed prior to the disbursement of the grant proceeds. When applicable, a city permit must be obtained
Property Inspection	A property inspection will be performed to determine project eligibility
Post-Install Inspection	Prior to the release of grant proceeds, the property is subject to inspection by an EDA inspector and all required building permit and fire permit inspections must be successfully completed. A rental inspection is

	required if the property had outstanding violation on the most recent rental inspection.
Bids	1 bid is required. Bids must detail the scope of work to be completed, the associated costs and any rebates
Work completion	All work must be completed with 180 days of execution of a grant agreement. This may be extended on a case by case basis by the EDA staff.
Disbursement of Funds	Funds are held by the EDA and payment is made to the property owner. The following items must be received prior to final disbursement of funds: 1. Paid invoices and/or receipts for all work and materials 2. Final inspection completed by building inspector (if necessary) 3. Inspection by EDA staff 4. Completion certificate signed by property owner 5. Completed W-9
Annual Budget	No annual budget applies to this program.

Home Improvement and Homeownership Programs

January 3, 2024

Overview

- Review of 2023 program year
- Proposed changes

Successful Applications

	2022	2023
Regular Home Improvement Loans	11	4
State Home Improvement Loans	5	10
Deferred Home Improvement Loans	4	2
Down Payment Assistance	7	15
Grants	28	36
Remodeling Advisor	19	16

Before

After

Before

After

Before

After

Proposed Changes – Loan Programs

- Add language to accessibility loan program prohibiting the funds to be used on work already started
  - Language already exists for all other loan programs
- Raise home value cap for down payment assistance from $350,000 to $375,000 to match the current median sale price in Blaine

Proposed Changes – Grant Programs

- Clarify that each grant program can only be used once on a property
  - This can be revisited after the 5 year pilot program expires
- Clarification of what is required for some of the eligible projects

Recommendation

- Approve the resolution