

**THE REGULAR MEETING OF THE PRINCETON EDA BOARD HELD ON APRIL 16, 2009,
AT 6:00 P.M., AT THE PRINCETON CITY HALL COUNCIL CHAMBERS**

Paul Whitcomb called the meeting to order at 6:00 P.M. Members present were Ben Hanson, Victoria Hallin, Cindy Riddle, Ken Haskamp, and Charles Snustead. Absent was Thom Walker. (Walker arrived at 6:33 P.M.)

APPROVAL OF MINUTES FROM REGULAR MEETING ON MARCH 19, 2009

HALLIN MOVED, SECOND BY SNUSTEAD TO APPROVE THE MINUTES OF MARCH 19, 2009. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED.

UNFINISHED BUSINESS:

A. Neighborhood Stabilization Program – Goals & Policies

The City of Princeton was awarded \$796,254 for the Neighborhood Stabilization Program. Funds came from the Minnesota Housing Finance Agency and the United States Department of Housing and Urban Development through the Housing and Economic Recovery Act of 2008. The NSP is designed to assist cities with the growing problems associated with vacant and abandoned homes resulting from the foreclosure crisis.

The funds from this program may be used for any of the following actions:

- * Establish down payment assistance program for purchase and redevelopment of foreclosed homes and residential properties.
- * Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed, in order to sell, rent, or redevelop.
- * Establish land banks for homes that have been foreclosed.
- * Demolish blighted structures.
- * Redevelop demolished or vacant properties.

The funds can not be used for:

- * Foreclosure prevention.
- * Demolition of non-blight structures.
- * Purchase of properties not abandoned or foreclosed upon.
- * Redevelopment for commercial purposes.

The time frame for the program is March 20, 2009 to September 20, 2010. This program is three weeks behind the original time frame. The City still has not gotten the contract to review. Once we receive the contract we will have the City Attorney review it. There is a four year time frame to use the money, but the money has to be committed in 18 months where the City is showing where it will be used. The disbursement of the funds was a five day process and now has moved to a fourteen day turn around. Blake hopes to have the City Council review the contract at their April 23rd, 2009 meeting. The City can not acquire or take formal action on any of the sites until the Historic and Environmental Reviews are done. The number of foreclosed homes has dropped since last month. There is risk of the City buying the properties when we update a home and there is not a buyer yet. We would need to work with the Lender that is dealing with the potential buyer for the property in this regards.

Leslie Ballis, Lakes and Pines Community Action, was present and said she is concerned that one Lender may say they will do the process this way and another will do it another way.

Haskamp who works in banking said he has seen Lender Programs change quite often. Haskamp asked how will the City acquire a property, fix it, and then resell it.

Blake said this program is designed to get the foreclosed homes where they are occupied. The City will acquire the property and make the improvements, and then at the sale will sell the property at the price we acquired it. We will not get the funds back that we used to fix the site. The buyer has to be qualified. All home acquisitions must be purchased at least 15% below the appraised value.

Ballis was pleased to learn that there will be flexibility in the rehab projects.

Hallin asked if the City were to fix a property and then sold it and the new property owner then lost their job would the property go back to the bank.

Blake said yes. If it happens in a four year time period then maybe the City would get it back. He still is learning about the program. The program does have a down payment assistance option that can be thrown in the mix. To fix a property for future sale the City does not need a committed buyer. Another area that Blake would like to put some of the funds is at the north side of Princeton where there is a need for a storm water retention area. The other item would be to add to a park for a public area. Demolition can be allowed for abandoned or foreclosed property for resale or redevelopment.

Thom Walker came at 6:33 P.M.

Ballis said that the NSP Program assistance requires the property owner to agree to income limits for a period of five, ten, or fifteen years depending on the amount of assistance provided. Failure to do so makes the owner subject to recapture requirements outlined on HUD regulations.

Blake said there was a party that qualified for this program, but it appears that she has backed out of her original request.

Ballis said that this person had completed the application for this program, but then needed to close on the property, so she withdrew her application. Now the bank has extended the closing to May 15, 2009, and maybe she will be able to apply again for this program.

Blake commented that the green building requirements have been adjusted where it is easier to work with. If a furnace is operable, it will not have to be replaced. We do have the option if the appliance is old that it can be replaced. Policies and procedures will be adopted next month. The map outlining the areas the City would like to concentrate on has to be approved

by the State. The list has been updated and is down to about thirty homes or so.

Blake would like a Realtor to represent the City if we were to buy a property. The Realtor would get paid out of the closing cost so there would not be any direct cost to the City. How would the City choose the Realtor. An option is random picking.

Riddle said it should be narrowed down to local agents.

Hallin agreed and their office has to be in the City limits.

Riddle added that the person should be a broker or agent with at least two years of experience.

Blake said if the City were to purchase a property then he would like the Agent to do the negotiating. The City can also negotiate the Agents rate. Blake will talk to the City Attorney on this.

Blake would like to have Ben Hanson from the EDA Board do the marketing on this program. Hanson has agreed to set aside the first six months to do an ad campaign in making brochures and ads. The local radio station would like to do an interview with the City regarding this program. Blake said there are funds through the program that can be used to pay Hanson.

RIDDLE MOVED, SECOND BY HALLIN TO ALLOW STAFF TO DEVELOP A CONTRACT WITH BEN HANSON FOR A MARKETING STRATEGY FOR THE NEIGHBORHOOD STABILIZATION PROGRAM. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. HANSON ABSTAINED FROM THE VOTE. MOTION CARRIED.

Blake commented that the Habitat for Humanity would be a good area for this program. If a property were to be torn down this group could use the land to rebuild on. Blake talked to Wayne who works with the Habitat for Humanity in Cambridge and their group would be interested in building one home this year and another next year. Blake said the City would give the lot to the program and they could build a home on the site. Another area is Arcadian Homes that the City would like to see demolished. If the site were cleared, Blake said he knows of interested parties that would like to rebuild on that site.

NEW BUSINESS: None

OLD BUSINESS: None

MISCELLANEOUS:

A. EDA Balance Sheet

The EDA Board had no comments.

B. Verbal Report

Blake said there were two parties interested in purchasing the old liquor store but one of the parties backed out. The one is still interested and the City is waiting for an offer.

The algae waste water treatment plant is questionable at this time. United States Distilled Products and BioMatrix were looking at this plant as a combined effort but now the price to build the plant is much higher than originally thought. Alternative green options are still being considered.

C. City Council and Planning Commission Minutes for March, 2009

The EDA Board had no comments.

SNUSTEAD MOVED, SECOND BY HANSON TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 8:00 P.M.

ATTEST:

Paul Whitcomb, President

Mary Lou DeWitt, Comm. Dev. Assistant