

# ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CRYSTAL

## 2012 Work Program

1. **Deferred Home Improvement Loans** (administered by Hennepin County)  
**\$80,146 planned expenditures** (all from 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. The county's administrative costs are embedded within overall CDBG funding.

2. **Home Improvement Incentive Rebates** (administered by GMHC)  
**\$250,000 planned expenditures**

- \$50,000 from expired TIF District #1 (#2150)
- \$150,000 from TIF Housing District #1 (#2152)
- \$50,000 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. For 2012 the EDA reduced the rebate percentages from 25%-20%-15% to the current 20%-15%-10% (see next paragraph). This was done to stretch out the available funds and keep the program going through at least 2013.

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 District #2 (#2153)

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 (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%. The Minnesota Housing Finance Agency has awarded \$37,500 for this program over two years; these funds will be expended before the EDA's TIF funds are used, so it is likely that local funds won't be needed until 2013. There are no administrative costs for the EDA.

**4. Purchase-Rehabilitation Incentive (FHA 203K) (administered by GMHC)  
\$11,000 planned expenditures from TIF Housing District #2 (#2153)**

This program was set up in mid-2009 to create an incentive for buyers of foreclosed or vacant houses needing significant repairs, provided that the homebuyer is using the HUD/Federal Housing Administration's "203K" purchase-rehabilitation loan program. The EDA will provide downpayment and closing costs assistance for 3% of the purchase price up to a maximum of \$5,000. The assistance will be in the form of an interest-free deferred loan which will be forgiven if the homebuyer owns & occupies the property for five years. The funding source will be available increment from TIF Housing District #2 (#2153). This incentive may be used for any vacant single family house in the city. To qualify, the buyer's household income could not exceed 110% AMI for a 1-2 person household or 115% AMI for a 3+ person household. The program will be administered by GMHC's Housing Resource Center; administrative costs will be \$500 for each grant.

**5. Scattered Site Acquisition/Demolition and Lot Sales  
\$360,000 planned expenditures (all from EDA Fund)  
\$200,000 planned revenues**

- \$80,000 to TIF District #1 (#2150)
- \$120,000 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 five properties being acquired and demolished, and five lots being sold for new house construction. As opportunities arise, additional property acquisitions may be authorized by the EDA using fund balances. Additional lot sale revenue would be credited to the fund that paid for the original acquisition and demolition of the property.

The proposed 2012 Notice of Lot Availability is attached.

**6. Other Redevelopment**

The EDA is working with Robbinsdale Area Schools on the possible purchase of its 8.3 acre property at 5400 Corvallis Avenue North. This property contains Cavanagh School plus approximately 4 acres of open space and park facilities extending east to Quail Avenue. The district is closing the school in summer 2012 and intends to sell the entire 8.3 acre site. The purpose of the EDA acquisition would be to re-sell the west half (the school site) to a developer to build a senior citizen apartment building, while preserving the east half (the existing open space) as public park land. Acquisition could occur in fall 2012, followed by demolition in winter 2012-2013 and potential construction of the senior citizen apartment building in 2013. An EDA decision on whether to proceed is expected by spring 2012.

**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.

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CRYSTAL  
2012 NOTICE OF LOT AVAILABILITY**

The Economic Development Authority of the City of Crystal (EDA) is seeking proposals from builders to purchase the following lots for construction of new single family houses. Each lot has a Request for Proposal (RFP) packet which may be downloaded from the Redevelopment page of the city website, [www.crystalmn.gov](http://www.crystalmn.gov).

PROPERTY ADDRESS	DIMENSIONS (approx.)		LOT PRICE	NOTES (see p. 2)
	width x depth	area (sq. ft.)		
3533 Lee Ave N, Crystal MN 55422	40 x 128	5,120	\$40,000	7
5417 35th Ave N, Crystal MN 55422	irregular	8,095	\$40,000	6
5918 Kentucky Ave N, Crystal MN 55428	60 x 125	7,500	\$45,000	1
4306 Zane Ave N, Crystal MN 55422	45 x 216	9,720	\$45,000	3
4310 Zane Ave N, Crystal MN 55422	45 x 216	9,720	\$45,000	3
4326 Zane Ave N, Crystal MN 55422	45 x 216	9,720	\$45,000	3
4330 Zane Ave N, Crystal MN 55422	45 x 216	9,720	\$45,000	3
4553 Yates Ave N, Crystal MN 55422	67 x 97	6,470	\$45,000	7
3541 Regent Ave N, Crystal MN 55422	75 x 140	10,500	\$50,000	
3548 Regent Ave N, Crystal MN 55422	75 x 140	10,500	\$50,000	5
4331 Vera Cruz Ave N, Crystal MN 55422	45 x 209	9,405	\$50,000	
4343 Xenia Ave N, Crystal MN 55422	50 x 216	10,800	\$50,000	
4633 Douglas Dr N, Crystal MN 55422	75 x 132	9,963	\$50,000	
4720 Douglas Dr N, Crystal MN 55429	60 x 192	11,520	\$50,000	1
4901 Vera Cruz Ave N, Crystal MN 55429	irregular	13,469	\$50,000	
5255 Edgewood Ave N, Crystal MN 55428	60 x 133	7,989	\$50,000	
5527 Xenia Ave N, Crystal MN 55429	66 x 135	8,910	\$50,000	3
5533 Xenia Ave N, Crystal MN 55429	66 x 135	8,910	\$50,000	3
5548 Yates Ave N, Crystal MN 55429	79 x 134	10,575	\$50,000	5
5626 Vera Cruz Ave N, Crystal MN 55429	66 x 135	8,910	\$50,000	2
5657 Adair Ave N, Crystal MN 55429	74 x 134	9,916	\$50,000	
5700 Regent Ave N, Crystal MN 55429	75 x 135	10,125	\$50,000	2
5715 Regent Ave N, Crystal MN 55429	75 x 135	10,125	\$50,000	2
3548 Welcome Ave N, Crystal MN 55422	irregular	8,960	\$55,000	4, 6
3556 Welcome Ave N, Crystal MN 55422	irregular	17,521	\$55,000	4, 6
5520 34th Ave N, Crystal MN 55422	92 x 117	10,739	\$55,000	6
5824 Regent Ave N, Crystal MN 55429	75 x 135	10,125	\$55,000	2
4553 Hampshire Ave N, Crystal MN 55428	74 x 101	7,488	\$60,000	
4604 Hampshire Ave N, Crystal MN 55428	80 x 123	9,807	\$60,000	
6529 50th Ave N, Crystal MN 55428	90 x 136	12,279	\$60,000	

NOTES SPECIFIC TO PARTICULAR LOTS:

1	The existing house may not have been demolished yet, but will be demolished by summer 2012, or sooner on an as-needed basis if a builder wishes to option or purchase the lot.
2	This lot is mapped by the Metropolitan Airports Commission (MAC) as being within the Crystal Airport's 60 DNL noise contour forecast for the year 2025. This is the lowest-level noise contour mapped by MAC in its plan for this airport. Builders are encouraged but not required to construct the house in accordance with the Builders Guide available from Metropolitan Council. This lot is not located in a Runway Protection Zone or Safety Zone for the Crystal Airport.
3	This lot is adjacent to another EDA lot but both lots shall remain separate lots for construction of a single family house on each lot. The EDA will not consider proposals to combine the lots and/or build a duplex. These adjacent lots do not need to be purchased (or optioned) by the same builder.
4	This lot is adjacent to another EDA lot but both lots shall remain separate lots for construction of a single family house on each lot. The EDA will not consider proposals to combine the lots and/or build a duplex. These adjacent lots must be purchased (or optioned) simultaneously by the same builder.
5	The existing detached garage will remain on the lot for use by the new house, either as the new house's detached garage, or as a second garage/storage shed if the new house plan includes an attached garage.
6	This lot is excess MnDOT property from Hwy 100, and Henn Co may not yet show it as a distinct parcel.
7	Due to the small size of this lot, the new house must be a two-story.

GENERAL NOTES:

The EDA considers proposals on a "first-come, first-served" basis. This means that the first proposal offering to buy the lot and build a house meeting our guidelines will be presented to the EDA for their consideration. The EDA retains absolute discretion to decide whether to accept any particular proposal.
Proposals must be submitted by state-licensed builders who have built at least three houses in Minnesota in the last five years, or have equivalent experience acceptable to the EDA. The house may be built speculatively or for a specific buyer. If you would be the house buyer, then your builder must submit the proposal; and if the proposal is accepted, then the EDA would sell the lot to your builder.
The new house must be an owner-occupied, single family house. It must have at least three bedrooms, two bathrooms, and a two-car garage (attached or detached, depending on the site). On a case-by-case basis, the EDA may also consider the sale of a lot to provide a new location for an existing house currently located in Crystal. The moved house would have to meet the general requirements described above, be brought up to current codes, and have a final value and long-term viability comparable to a new house.
Lot prices are firm and non-negotiable.
Builders may purchase a 6-month option on a lot for \$500, renewable for an additional 6 months for an additional \$500. The option provides the builder with exclusive rights to purchase the lot and build a house subject to the normal EDA requirements and guidelines. As a condition of the option, the builder must list the lot with a to-be-built house on the MLS for the duration of the option. The number of options is limited: No builder may have options on more than 10% of the EDA's lots, and no more than 50% of the EDA's lots may be under option at any time.