

**MINNETONKA ECONOMIC DEVELOPMENT ADVISORY COMMISSION
MEETING SUMMARY**

**OCTOBER 27, 2011
6:00 P.M.**

1. CALL TO ORDER

President St. Peter called the meeting to order at 6:00 p.m.

2. ROLL CALL

EDAC commissioners present: Kathryn Aanenson, Benita Bjorgo, Chandra Coughlin, Michael Happe, Ken Isaacson, Bruce Smith, and Peter St. Peter.

Staff present: Community Development Director Julie Wischnack and Community Development Supervisor Elise Durbin.

3. APPROVE SEPTEMBER 22, 2011 MEETING MINUTES

Happe moved, Isaacson seconded a motion to approve the September 22, 2011 meeting minutes. Aanenson, Bjorgo, Happe, Isaacson, Smith, and St. Peter voted yes. Coughlin abstained. Motion passed.

4. 2012 NON-PROFIT FUNDING

Durbin introduced the item. St. Peter explained the scoring procedure.

Smith asked if there are additional funding opportunities besides the CDBG and Livable Communities accounts. Durbin said that she would consult with finance staff regarding funding sources for programs that commissioners support.

Isaacson suggested that a program-specific budget be provided next year. Durbin felt it was a great idea.

St. Peter confirmed that each commissioner had the scoring and ranking sheets.

Timothy Morin, Senior Community Services coordinator for the H.O.M.E. program, stated that he and the organization are grateful to the City of Minnetonka for its continued support throughout the years. He appreciated the in-kind office space for his senior outreach worker and himself. H.O.M.E. stands for Household and Outside Maintenance for the Elderly. H.O.M.E. is in its 31st year of providing services in suburban Hennepin County. The longevity would not be possible without the support of community partners. H.O.M.E. provides housekeeping, lawn mowing, snow removal, painting and minor repairs. Clients are charged a nominal fee based on income and ability to pay. Spring and fall

yard clean up and window washing are provided at no cost. This service is provided by volunteers of local churches, corporations, schools, and many other groups who want to help in their community. The economic downturn and tremendous growth of the senior community has created a need that has never been greater.

Mr. Morin stated that 1,736.25 hours of service was provided to 115 Minnetonka senior households in 2010. He is at the community center two days a week to meet with seniors.

St. Peter clarified with Mr. Morin that the 115 Minnetonka residents listed in the application includes all Minnetonka residents serviced. Mr. Morin saw a wide range in Minnetonka in regard to the sliding fee scale. The program will serve anyone no matter what their income. The folks who pay more according to the sliding fee scale help subsidize those who pay less. Some services may also be billed to insurance companies. County waivers and grants are also utilized.

St. Peter asked Mr. Morin to estimate how many of the Minnetonka residents received a benefit from the requested funding. Mr. Morin guessed Minnetonka residents in general would land more toward the middle of the sliding fee scale. He could provide that information.

Happe noted the annual budget is \$2.7 million. Mr. Morin clarified that the total revenue and support of the H.O.M.E. program is \$710,608. Senior Community Services provides licensed social workers to all of suburban Hennepin and Wright Counties; Medicare and Health Insurance counseling; and operates six senior centers, caregiver support programs, and many other programs. The funding is being requested specifically for the H.O.M.E. program.

Happe confirmed with Mr. Morin that the H.O.M.E. program does raking, shoveling, and minor maintenance. The cost is based on the residents' income. A sliding fee scale is subsidized through funds from the Metropolitan Area Agency on Aging, United Way, and CDBG funds. Lawn raking and window washing in spring and fall is provided by volunteers and is a free service to any individual.

Mr. Morin hoped to expand the amount of staff in the next couple years to provide services to newer areas and accommodate the growing senior population. The revenue is providing a cash flow before transitioning into expanding the program and staff. The revenue and support coming in are utilized for itemized items on the budget and subsidizing the sliding fee scale.

Happe noted the cost of the program is \$700,000 and a portion of that is paid by the residents receiving the services. Happe asked what amount was paid by residents receiving services. Mr. Morin responded that it varies from city to city. He would have to research the exact information.

Happe asked how residents find out about the program. Mr. Morin stated a comprehensive marketing plan began in 2009. The program relies heavily on social workers, staff at senior centers, mailings. Word of mouth has always been the biggest advertisement. Caregivers learn of the program and pass on the information. Marketing is done at churches. Meals on Wheels volunteers in the Maple Grove area handed out water bottles advertising the H.O.M.E. program.

Smith asked if a three percent increase is reasonable. Mr. Morin explained there is a slow increase each year. Many folks face nursing home placement or pass away. Serving a specified number of residents would not work.

Dave Brown, Government Grants Manager of Advantage Services Department for CommonBond Communities, was present to talk about Crown Ridge. He appreciated the opportunity to present the funding request and the support received in the past. The requested funding would support academically-focused, after-school tutoring and homework help for children; employment, financial literacy, and asset building skills for adult family members living at Crown Ridge; and the cost of program space. Crown Ridge is a 64-unit affordable housing community. Currently 63 households and 141 residents, including 58 children, live at Crown Ridge. The average household income is \$22,767, which is just above the poverty level for a family of four.

Brenda Delaney, Advantage Services Program Manager, explained the largest youth program held at Crown Ridge is Study Buddies. Study Buddies is a one-on-one academic program held on Monday evenings for an hour and a half each week. This year at Crown Ridge, there are 16 youth matched with 16 mentors. Volunteer retention has helped Study Buddies maintain a solid program. Three times per year she meets with each participant's teacher. Teachers provide feedback on what each student is working on and suggests ways that volunteers can help students do better. Additionally, Ms. Delaney administers academic assessments three times per year. Last year, 9 out of 10 youths improved their reading scores and 7 out of 10 youths improved their math scores. Last year, a second grader named Mason was matched with Steve. At the beginning of the year, it was a struggle to get Mason to walk in the door and not hide under the table. This year, Mason was excited to hear Steve would be his mentor again. She has 15 pairs currently thriving and doing great.

Coughlin asked if the program is growing and for the total number of those served. Ms. Delaney stated the Study Buddies program is at capacity with 17 due to the space available. Last year there were 18 pairs. St. Peter recalled funding \$6,000 to allow one of the units to be rented and used for the program. It nearly doubled the space available. Ms. Delaney stated that it houses 10 of the pairs.

Happe noticed the \$11.5 annual budget. Mr. Brown explained that included the budget for the entire housing complex and program budgets for the current year and projected budget next year. The budget this year was approximately

\$76,000, next year \$86,000. Some of next year's budget would be covered by a federal grant from the Local Support Initiatives Corporation which got some federal money for the purpose of providing employment services for adult parents living at Crown Ridge.

Happe asked how much of next year's budget is not funded right now. Mr. Brown approximated \$21,000.

St. Peter asked for the longitudinal success of the program. Mr. Brown stated they are tracking academic performance. High school graduation rates for youth living in CommonBond housing is close to 100 percent. That is a major goal.

JoAnne Robinson, of the Minnetonka Heights Community Program, located at Minnetonka Heights apartments and townhomes at 5809 South County Road 101, is celebrating its 10th year of providing services. She enjoyed being onsite and able to reach out and be there for the residents. It is making a huge impact. The demand continues to grow as needs are changing and becoming more plentiful. The organization is happy to share resources and opportunities. She likes to say that the organization bridges the opportunity gap. A lot of work is done with their partners Homes Within Reach, YMCA camps, 10 kids to overnight camp at Idahopi, the City of Minnetonka, and the school district which provides a tutor two nights a week at the after school program. The afterschool program provides a respectful learning environment and teaches skills such as cooking, chess, and yoga. There is a diverse background of residents. There are 172 units, 500 residents, and 65 active families. She provided pictures of projects and the residents.

Smith was interested in the cost per person. This was one of the lowest funding requests that he has seen. From a Minnetonka perspective, he felt it made sense. He questioned what the residents would get for the \$20,000 and the success rate. Ms. Robinson stated that it costs \$2,000 for each student to be in the after school program three to four times a week. That includes salaries, supplies, tutors, computers, and field trips. Camp costs \$185 a child. The children's programming takes up the bulk of their funding. There is also a senior program which brings them together for coffee or cards. There is a Thanksgiving meal that feeds 125 to 150 members of the community and costs approximately \$1,000. Small things like going into a home and sharing knitting does not cost anything. She will conduct more research and share what she finds out.

Happe said the YMCA is fantastic. What it is doing now is community outreach of the existing programs at an outside location. He asked how the location was chosen and if there are additional satellite locations. Ms. Robinson explained the location was brought about when it was realized it would help to have someone on site to cross language and cultural barriers and build relationships and trust in the community. She has spent 10 years building relationships. Her organization has after-school and summer programs at Stratford Woods, Hunters Ridge, and

Excelsior Third Avenue apartments after learning of large groups of underserved children and families that could benefit. The school district recognized the need and welcomed the program.

St. Peter recalled discussions regarding problems occurring at Minnetonka Heights in the late 1990s. City staff were part of community discussions with YMCA staff. Ms. Robinson just had a site visit from a Park Nicollet advisory board member who said that her location is friendly and positive.

Aanenson recused herself from the next discussion since she is a member of Minnetonka Lutheran Church.

Ann Deuring introduced herself and Pastor Bob Rusert from Minnetonka Lutheran Church. Ms. Deuring explained Minnetonka Lutheran has applied for a grant to begin a new project of providing community suppers in the church facility. A program of community suppers would feed three kinds of hunger in Minnetonka: physical, community, and service. Minnetonka Lutheran has a heart for serving, as do all our civic organizations, and an asset that not too many people can rival. It has a world-class kitchen that is not in the basement. In a time when many organizations have gone to the more compact kitchen, Minnetonka Lutheran has maintained the traditional, large kitchen because they know food is a great way to connect and they know food and are good at it.

Ms. Deuring said the church's job is to spread the good news, but wants to assure that the intentions are not such that everyone who attends would get a dose of religion. St. Augustine said "Evangelize constantly, but use words only when necessary." Hospitality will be the only message. Over 57 years, the name of the church has been Minnetonka Lutheran, located in Minnetonka. Minnetonka Lutheran is here to serve the hungry of Minnetonka. She hopes this venture becomes a community initiative, has strong volunteerism to sustain it, and supports ICA to help people through tough times and bring them to a healthy place again.

Pastor Rusert stressed the program would be community-based and not a Minnetonka Lutheran program. He has been approaching other churches and organizations to work with. The idea is to provide an opportunity to teach servanthood. He added that Minnetonka Lutheran houses six different scouting programs. The church has members of the community from multiple churches or no church background at all, along with AA and Alanon. He hopes to present the facility for use by the community.

Bjorgo asked about services provided in addition to the Wednesday meals. Ms. Deuring did not know a lot more at this time. If the grant is received, they would get very busy. It would be a fine opportunity to provide tutoring, financial advising, and companion meals.

Isaacson could tell from what he read in the packet that it looks like it would be an interesting program. He understood the initial budget to be \$400,000 to serve 4,000 people in 2012. St. Peter clarified Minnetonka Lutheran is requesting \$20,000. The overall whole church budget is \$425,800.

Isaacson stated that looking at new programs is extremely difficult. The request almost equals the entire CDBG program that was awarded last year. He appreciated the effort.

Happe asked if the church would go ahead with the program if the city did not make a contribution. Mr. Rusert said it will happen if the funding is found, but funding is needed to launch the effort.

Smith thought the program would be great. He enjoyed building relationships. Because of the limited size, he looked at ways to leverage existing services. ICA and IOCP have almost exactly the same thing Minnetonka Lutheran is offering other than the fact that they are actually making the food. He questioned what is it besides making the food that would set the program apart or provide services not being covered by ICA and IOCP. Ms. Deuring responded that a lot of ICA clients do not have kitchens to prepare the food and a community sense is being promoted. She wants the whole community to come. There are people who would not come, even if they need to, if they thought the program would just be for "needy" people.

Mr. Rusert added that getting all of the families in a place where they can mingle and commune, not just take the food home and make it, provides a bigger sense of community. The city of Minnetonka is a caring place, not just Minnetonka Lutheran Church.

Coughlin asked if the program is in response to ICA and IOCP not being able to meet the level of demand. Mr. Rusert said that is part of it. Coughlin said the economy is increasing the demand. Mr. Rusert said ICA's resources are being stretched. Minnetonka Lutheran Church's program would be a partner and ministry that ICA could refer people to. It would provide a tangible connection.

St. Peter strongly encouraged Minnetonka Lutheran's program to partner with ICA or a similar organization to complement what their program is able to offer and supplement it. He liked the model. Partnering would be a good way to get it off the ground and show its viability. Unfortunately, the city received half of the funds it received last year to distribute, with greater need expressed by everyone. Mr. Rusert stated that those contacts have been initiated.

Smith commented ICA and IOCP partner with Second Harvest and their dollar goes a long way toward providing food. Those organizations can get \$9 worth of food for \$1. It might take a zero off of the request.

Cathy Maes, with ICA food shelf, thanked commissioners for the past funding received from CDBG funds. ICA is celebrating its 40th year. She has been with ICA for 3.5 years. She wished she could say the demand is getting better, but she cannot. The demand is daunting. Since 2008, ICA's business is up 80 percent. Beyond food, ICA works to keep residents in their homes. That is a major goal. ICA helps pay rent, mortgages, and utilities to keep residents in their homes and children in their schools. ICA only funds solvable, resolvable situations. So, if someone's car breaks down this month, paying to fix it would allow them to work and pay their rent next month so that would be a situation ICA would help with. Unfortunately, she has seen more unsolvable and unresolvable situations this past year than ever before, and has had to send residents to Minneapolis for shelter. ICA's board looks at that as an indication that something bigger needs to be done. Minnetonka Police Department members have attended ICA's board meetings and talked about residents they have found living in cars with their children and pets. Officers now hand out ICA cards to those people in Minnetonka.

Ms. Maes said ICA is looking at other ways to locate housing options and to partner with other organizations. ICA is considering operating a shelter here in the western suburbs. ICA continues to look for ways to do things differently to meet the needs of the neighbors most in need. Another ICA site has been opened in Excelsior. That has expanded the business by 35 percent. ICA was open 5 days a week 3.5 years ago. With the second location, ICA is now open the equivalent of 10 days a week. ICA has hired a job coach. She has met with over 100 people and has had some great successes assisting others with finding employment. A refrigerated truck was purchased so senior housing facilities can be visited, and groceries delivered. ICA knows seniors are underserved.

Smith asked exactly what the money would do; for example, how many meals it would purchase, how many people would it serve, and how many counseling sessions would it create. That would help him equate value with dollars.

Ms. Maes confirmed with Durbin that CDBG funds need to be used for housing. ICA would use the funds for rent, mortgage, utilities, and in one month's time ICA spends approximately \$35,000 to \$40,000 in housing. On average, ICA's families receive between \$800 and \$1,200 to keep them in their homes. Rent prices continue to increase. An average two-bedroom apartment is over \$800 a month.

Smith asked how many people the funds are serving, how much in rent is being given, what percent of the utility bills ICA pays, and how many people is ICA helping pay utility bills for. Ms. Maes responded in a month's time, with \$40,000, ICA serves 50 households. \$8,000 may not make a dent, but ICA needs \$8,000. ICA needs lots of people and agencies to give it \$8,000 to make the budget balance.

Ms. Maes thanked the city for its support.

Janet Lindbo, Homes Within Reach, also known as West Hennepin Affordable Housing Land Trust (WHAHLT), stated:

- The organization was created nine years ago and since then has created 90 homeownership opportunities in 11. Homes Within Reach has assisted 45 families, approximately 153 people, in becoming Minnetonka homeowners over that period of time.
- Many of the families who work in the community are teachers, chefs, retail personnel, city employees, or employed by small and large firms.
- Two of the land trust homes in Minnetonka were rehabbed, foreclosed properties. Homes Within Reach continues to look for foreclosed properties and receives funding to match the city's funding to purchase additional foreclosed properties. Additionally, four properties were purchased from seniors wanting to relocate to a setting to provide more independence and assistance.
- This past year, Homes Within Reach worked with the city to create a quality home on Hopkins Crossroad near I-394 for a family who is thrilled to be a Minnetonka homeowner. Homes Within Reach made major improvements to the home including making the drive access the residential street of Oak Knoll Terrace to improve traffic flow and make it safe for the homeowner as well.
- Homes Within Reach is a reality because of multiple individuals as well as public and private organizations. Many of them have connections in Minnetonka, and some are here today making presentations. Those involved include city staff, Minnetonka schools, social service providers, ICA, Jewish Family Services, Community Action Partnership of Suburban Hennepin, a variety of community providers, and apartment management.
- She thanked the city for its current and past support of Homes Within Reach. Homes Within Reach would not be able to reach out and assist families in becoming Minnetonka homeowners without the city's engagement.

Isaacson asked if Homes Within Reach is actively acquiring land. Ms. Lindbo answered no. She explained the budget breaks down allocations for land and improvements. The land goes into the trust of Homes Within Reach/WHAHLT. Typically the rehabilitation and cost of the improvements is what the homeowner purchases.

Isaacson read about local land trusts struggling for sustainability. He asked if WHAHLT had been impacted. Ms. Lindbo answered that she works with a myriad of groups that are CLTs, metro and state wide, as well as other providers. All are struggling in some sense. The credit market is tight, so the homes are sold two or three times, similar to the market-rate homes. If production is not up, there is no

way to pay overhead. Ms. Lindbo assumed there will continue to be struggles, but Homes Within Reach will continue to work with its partners. One of the best things about the partnerships is there are some capacity-building dollars available. Additionally they are hoping to augment dollars from federal and private sources to be able to sustain and grow the program over the next 5 to 8 years.

Happe noticed the 2012 budget is listed at \$3.5 million. The City of Minnetonka has regularly given \$200,000 to \$250,000 a year. The request is \$225,000 this year. Homes Within Reach has 88 properties accumulated in 9 years. Happe asked how it works. He questioned if Homes Within Reach purchased houses and gives them to people. Ms. Lindbo said typically Homes Within Reach takes the land cost out of the mortgage equation. Fundraising is done to fund the land, which is put into trust with Homes Within Reach. Homebuyers are modest-income families who are then able to purchase homes in Minnetonka and other western suburbs from anywhere from \$120,000 to \$150,000 depending upon what the land cost is and so on. A ground lease is executed which provides the homeowner with all of the rights of owning the land, but the homeowner does not in that it belongs to Homes Within Reach for 99 years. The property can be inherited by the homeowner's family. Any resale buyer must meet the homeowner qualifications which require his or her income to be below 80 percent of the area's median income. In Minnetonka, that equals about \$56,000 a year. There is a cap of 35 percent of the equity in the home when it is sold. For example, if the residence was purchased for \$120,000 and it was sold twenty years later at \$130,000, then the seller would receive 35 percent of everything put into the home. Many applicants stay in the land trust home all of their lives. Some will move beyond and purchase a market-rate residence as their employment improves.

Happe asked if the \$3.5 million per year is used, essentially, to buy land for the residences to be put into the trust. He asked if it was also used to pay a portion of the property taxes. Ms. Lindbo stated that the \$3.5 million includes proceeds from the improvements, but does not buy the land. Homes Within Reach purchases between \$900,000 and \$1.2 million worth of land. The organizational budget also includes the proceeds of the improvement. That is why it seems inflated. It is the mortgage piece.

Smith asked if Homes Within Reach has used all of the funds every year. Ms. Lindbo answered that it usually takes about 24 months to expend funds because the city's commitment is used to gain matching funds. It is written into the agreement that the funds will be used within a 24-month period of time. Ms. Lindbo stated that quite a bit of funding is garnered from Minnesota Housing and federal monies and vice versa. Homes Within Reach matches anywhere from 40 percent to 60 percent of the funds received from the City of Minnetonka.

Isaacson asked if the two homes, one to have closed in September, and the one with active buyers, have closed. Ms. Lindbo answered affirmatively. She did not have open inventory right now in Minnetonka. She is buying one soon and has several applicants she is working with. She has many informational materials to help people understand the overall structure of the land trust. She would be happy to email or mail information to commissioners.

Bjorgo abstained from discussion and action of the following request from the Minnetonka Historical Society due to a conflict of interest.

Bill Jepson, president of the Minnetonka Historical Society, stated:

- The organization's mission is to preserve the history and heritage of Minnetonka. The Minnetonka Historical Society is the only organization that serves the city in terms of preserving its heritage.
- The Minnetonka Historical Society's project is to digitize the archives that are in boxes and put them on the society's website.
- The last inventory was done in 1987.
- All historical society members are volunteers. Many services related to preserving the heritage have been provided for free.
- General meetings occur twice a year. Last year, the Paulson farm family gave the Minnetonka Historical Society photographs and letters which society volunteers digitize, save, and want to put on the website for everyone to learn about Minnetonka.
- The Minnetonka Historical Society applied recently to the state for \$6,000, but was not awarded.
- The society hired an employee this summer to digitize the materials. In 30 hours a few boxes were completed. It would take approximately 200 hours to do the last 20 boxes. He provided photographs and letters from the 1860s and 1870s. The society wants to get the project done. Software called Pastime Museum is used to preserve the heritage.
- The Minnetonka Historical Society serves everyone in the city. It helps older, less mobile, and handicap folks access the information from home.

St. Peter suggested high school or college students be offered the opportunity to volunteer and receive course credit. St. Peter has been involved with organizations that did that and had very good results. He also suggested that Apple II records could be converted to a modern program.

Mr. Jepson stated that volunteers have been recruited many times over the years from different sources. A stipend helps lock in a commitment. Laura Ronbeck of city staff has tried to find volunteers, high school or college age, to complete a survey within the city of its historical structures and she found no one willing to put in the time on a volunteer basis even if credit would be given for a school

course. St. Peter suggested working it through school administration and the teachers in the programs. The students would not recognize how valuable an experience it would be until a teacher talks to them. Mr. Jepson is a high school teacher and his sons go to Hopkins, but they have been unsuccessful in recruiting volunteers.

St. Peter suggested boy scouts be contacted to do the project to earn a merit badge or several scouts if done as a group activity.

Dorothy Welch, of the Minnetonka Historical Society, stated she is a teacher and an optimist. She has offered credit to students to do the project. It is something that has never been successful. She has had her grandson working on it, but it is hard to motivate him unless he is paid. Mr. Jepson's son has helped, but he cannot give up a job to do the project. She has been trying the colleges to get a museum trainee as a volunteer. That has not worked either. Minnetonka Historical Society members are concerned because they have boxes of old photographs. She has just been given access to thousands of photographs regarding the Gray family for which Gray's Bay is named. The society will be photocopying the photographs for a long time. It is very difficult to get a student to complete the day to day copying and scanning. The request is for 200 hours to finish the project of digitizing the priceless records.

Mr. Jepson stated the funds for the Minnetonka Historical Society have been dwindling over the last few years. Ice cream social money was cut off two years ago. The society is running out of a book published 12 years ago. That is why the society is requesting \$3,000.

St. Peter thanked the volunteers for the presentation.

Judy Elling, Executive Director of ResourceWest, stated:

- ResourceWest is a small, non-profit organization housed in Hopkins that serves the area out to Excelsior. ResourceWest has the same service boundaries and clientele as ICA; however, it does many different services than ICA. The organization does not duplicate services, but connects clients and the people in the community to those resources.
- ResourceWest wants to be able to help every person who walks in the door so multiple visits to different organizations are not necessary. ResourceWest provides information referral services year round. The Project Starfish meets with individuals to find out what their core needs are and match them with the appropriate resource. The Project Starfish coordinator has great relationships with ICA and Homes Within Reach. She keeps track of new and discontinued programs, and manages microgrants of \$300 a year for individuals. Since 2009, the demand for microgrants has increased 75 percent. In 2009, \$1,800 was given out and in 2010,

\$6,993 was given out. The money is used for stabilizing employment or health such as car repairs, car insurance, gas, bus passes, health insurance premiums, prescription copays, and a multitude of other things. The belief is that as long as that person can be stable in their employment and health then he or she will not lose his or her housing.

- Because housing is taken care of by ICA, Homes Within Reach, and Hennepin County, ResourceWest does not fund housing. ResourceWest does not help with utilities. CAPSH and ICA take care of those costs.
- ResourceWest has a computer technology center that is volunteer staffed. There are six computers that provide access to the internet and people who can help write resumes, search for jobs, and complete post-secondary homework.
- ResourceWest is known for its back to school program and toy chest.

Isaacson asked if ResourceWest pursues CDBG funds from other communities it serves. Ms. Elling said the only other community it receives CDBG funds from is Hopkins, and there has been talk about whether that will remain a viable option because of the reporting. Hopkins has historically given ResourceWest \$5,000 of CDBG funds.

Smith saw a net income of \$5,000, expenses \$130,000, and revenue \$212,000. Ms. Elling apologized for the error. \$212,000 was the net income, expenses out totaled \$215,000. There was a net loss in 2010. ResourceWest's funding is 90 percent individual gifts and grants. The only federal-type dollars are the CDBG funds which last year totaled almost \$9,000. Long-term funding grants were received from the two school districts. This upcoming year will be the last year ResourceWest will receive money from the Minnetonka School Collaborative, which provided \$10,000. ResourceWest did receive an unexpected grant from the Hopkins School Collaborative for \$10,000 with no guarantee for money next year. ResourceWest is poised to deal with the CDBG and long-term grants terminating in the next few years.

Smith asked what would happen with the \$5,000. Ms. Elling explained the funds received are applied directly to the children's programs. Those programs maintain the most statistics. The fiscal year 2010-2011 served 150 families in the Minnetonka School District and 285 families who reside in Minnetonka. Smith would appreciate knowing how many backpacks and other items were purchased each year. Ms. Elling stated that the back to school cost for each child is estimated at \$60 and winter warm wear is estimated to cost \$75 per child.

St. Peter commented that project Starfish may be the better fit for CDBG funds since it is required to be used for housing. Ms. Elling noted that could be done. Right now, a database is being created for the Starfish program. A graduate

intern is helping her compile the data. Ms. Elling will have statistical data ready in regard to the Starfish program at the end of this fiscal year on how many Minnetonka residents are being directly impacted. There would be no problem earmarking the CDBG funds for project Starfish.

St. Peter confirmed with Wischnack that would be appropriate.

Smith said that his former employer had a back to school drive and collected items for kids during the holiday season. He did not know if ResourceWest had plugged into donated items. Ms. Elling explained that Caring Tree supplied ResourceWest with enough school supplies for 250 students this year, and will increase that request because donations were low. Cargill did a generous drive for ResourceWest at its Hopkins location and said it will do it again next year. ResourceWest has collection barrels out and requests businesses to adopt ResourceWest during those times and help with drives. The more in-kind donations ResourceWest gets, then the less money has to be spent.

Scott Zemke, director of program operations with Community Action Partnership of Suburban Hennepin (CAPSH), said he manages all direct-client services. Mr. Zemke stated:

- Their largest program is energy assistance and second largest program is foreclosure-prevention. The foreclosure-prevention program remains extremely busy. The housing market has not improved. CAPSH has a huge influx of foreclosure clients. Over the last quarter, CAPSH has sent out information to 285 Minnetonka residents who are in danger of foreclosure.
- CAPSH also does first-time-homebuyer counseling and education. Now is the time for people who have decent credit to purchase a house, and for people who do not have as good of credit, to speak with counselors to get their credit improved to take advantage of the low interest rates and housing prices.
- CAPSH does reverse mortgage counseling for seniors who want to stay in their house, but are having trouble keeping up with property taxes and their homeowners insurance. A reverse mortgage works similar to a mortgage, but it gives the senior some equity to use to live in the house.
- CAPSH has a rehabilitation counselor.
- CAPSH has a very good partnership with the City of Minnetonka, where they administers the city's emergency repair program.
- In addition, CAPSH does the energy-assistance program which has an energy related repair component. If a furnace needs repairing, CAPSH could use the funds from the Minnetonka funds and use energy assistance funds to repair the furnace.
- CAPSH does tax assistance, food-support advocacy and outreach throughout suburban Hennepin County including Minnetonka.

Residents who might not otherwise apply for what was once known as food stamps can get assistance from CAPSH staff helps who fill out the paperwork to receive food support from Hennepin County.

Happe believed the request from the city of Minnetonka is for the housing programs. CAPSH's annual budget for the organization is \$3.5 million. Happe asked how much of that supports the housing program. Mr. Zemke stated that the housing-related programs represent \$500,000 of the total budget.

Smith asked if there had been consideration of not offering reverse mortgages as a way to cut costs. Mr. Zemke said it is not terribly expensive for CAPSH to have a reverse mortgage counselor on staff, because that person is also a foreclosure prevention counselor. She is about .1 reverse mortgage counselor and .9 on foreclosure prevention counselor. CAPSH is a full-cycle, HUD approved housing counseling agency so that means that it offers the full continuum of housing services. The program will remain unless it becomes cost prohibitive.

Smith noted Wells Fargo just got out of the business of reverse mortgages. Mr. Zemke explained the reason for that is because of the way that FHA is now insuring the loans. There are issues with lenders continuing to pay property taxes and adding to the principle. M&I and other players are still doing reverse mortgages.

Matt Eichenlaub, attorney with HOME Line, stated there are four attorneys on staff. The main thing HOME Line does is give tenants advice, over the phone, about their rights regarding the lease, landlords, and evictions. Last year, HOME Line helped 130 Minnetonka residents. Typical calls involve questions regarding security deposits, repairs, evictions, and foreclosures. Most of the clients are very low income. HOME Line saved tenants about \$18,000 last year with their advice and assistance helping tenants avoid foreclosure. Mr. Eichenlaub really enjoys talking to high school students. He explains the important things when it comes to renting and owning and keeping a house. It is a beautiful program.

Smith asked if callers provide the city they live in. Mr. Eichenlaub answered yes.

Smith asked what HOME Line's plan is to sustain its services. Mr. Eichenlaub answered one thing is that HOME Line is looking into is increasing the individual donor base. HOME Line started fundraising a couple years ago by holding a treadmillathon. It is webcasted over the internet and people donate money. Matching grants were provided by the Bigalow Foundation. The fundraiser has been a success. HOME Line published a book called How to be the Smartest Renter on Your Block and it is selling very well. A lot of trainings are conducted for social workers and landlords around Minnesota to earn revenue. HOME Line also applies for grants. Ultimately, HOME Line may have to cut service to places that do not fund them. HOME Line started as part of Community Action Program Suburban Hennepin and served that area. Then it expanded and expanded to

practically statewide, except Minneapolis. If it happens, contracting with the areas it is funded to work in may be the only option. He hoped not and will continue fundraising.

Happe was curious why the program was spun off from CAPSH originally. Mr. Eichenlaub said that occurred before his time with HOME Line. His understanding is that HOME Line split off 20 years ago. Mr. Eichenlaub said he did not know.

Andy Swanda, director of development at TreeHouse, stated:

- TreeHouse serves at-risk youth in the Twin Cities. Currently, TreeHouse is serving 1,500 teens on the Minneapolis side of town through 7 locations. Next year, 2 locations will be opened on the St. Paul side of town, one in Mahtomedi and one in West St. Paul.
- Over 75 percent of the teens are receiving free or reduced lunch. TreeHouse deals with kids in some type of poverty.
- The overwhelming majority of kids are coming from broken homes and live with one or neither of their parents and are being shuffled around from community to community. In the grant request TreeHouse submitted, it requests funds for Transportation for Hope. Because of the teens' financial and family situations, the teens call TreeHouse for rides.
- TreeHouse is a place the teens come to for support, honest adult relationships, and honest peer relationships. If TreeHouse staff did not drive out and get them, the teens would not be able to come.
- He shared the story of Rachel who came to TreeHouse because a van went through her neighborhood and a friend who was one year older went with her. Shortly after Rachel attended TreeHouse, staff learned that Rachel's mom had recently committed suicide, her older brother was a drug addict and had been removed from the home, and her father had become physically abuse. TreeHouse staff intervened and child protective services did remove the child and placed her with her aunt and uncle so that she was safe and could continue school. The reality is is that TreeHouse has 1,500 kids like Rachel.
- Mr. Swanda has been at the Minnetonka TreeHouse with kids who have been held up at gun point. It is a blessing that TreeHouse staff have the opportunity to go out and get them because of the vans that the community helps provide for the kids.
- At TreeHouse, teens do feel safe and are loved by an honest adult that is pouring hope and encouragement into their life.
- A description of the programs is provided in page 3 of the packet and the five goals that TreeHouse desires to see for every teen are in the second box on page 3.

In response to St. Peter's question, Mr. Swanda stated the application materials "City of Minnetonka" represents teens from Minnetonka schools. Secondary would be teens from Hopkins' schools and 15 of the teens listed go to Eden Prairie schools. The overwhelming majority are Minnetonka High School teens. Those numbers reflect the number of students participating at the Minnetonka TreeHouse located at County Road 101 and Highway 7. There are teens living in Minnetonka who attend different schools.

Isaacson asked if TreeHouse applies to all of the communities it serves for CDBG funds. Mr. Swanda answered affirmatively. TreeHouse just received a grant from a crime prevention group in Bloomington to sponsor vans in Bloomington. Brooklyn Park Rotary supports the program. Over 350 teens participate from Brooklyn Park. TreeHouse is trying to promote community ownership of all of the locations. Mr. Swanda started working for TreeHouse in August and did not know for sure if CDBG funds had been applied for from other cities. He guessed the exact request had been submitted to all municipalities TreeHouse serves.

Smith asked if the request is to support the transportation program. Mr. Swanda responded positively. Smith asked what the \$2,500 would do; for example, make repairs or make a certain number of trips. Mr. Swanda said that there are 23 vans, 3 of those operate specifically in Minnetonka. The cost to operate each van costs \$10,000 per year which includes fuel and basic maintenance. The \$2,500 would support $\frac{1}{4}$ of 1 of the 3 vans which operate in Minnetonka.

St. Peter called for a 5-minute break and reconvened the meeting.

Happe noted that removal of the application that scored below the required 65 would make it a little easier to have the needed amount of funds. The remaining applicants are somewhat within a range that might be able to prorate the remaining balance between them.

St. Peter commented the H.O.M.E. program's request is significantly larger than it had requested in the past. Given their financial condition over the last three years and the long-term balance sheet, he sees a little less credibility with their request other than that the organization is trying to save itself. In terms of overall services to Minnetonka, as can be seen from the score, it did well and provides Minnetonka residents with services. He did not know if it should be \$11,000 worth. If H.O.M.E. is bumped down to \$6,000 or \$7,000, perhaps the rest could be prorated. He asked if any of the others should be dropped off of the list.

Isaacson made note of the percent increase of the requests from last year. He requested a comparison for each applicant of the amount requested last year with the amount requested this year be displayed on the spreadsheet. Durbin obliged.

St. Peter said TreeHouse does not technically meet the CDBG qualification. It has a remote relationship to housing and housing related issues. The city has not funded it in the past. TreeHouse has requested funds in the past, but never made the cut. TreeHouse's deficit has been funded by a transfer from a faith-based foundation in the years when it was needed. St. Peter noted that all of the other programs have been funded by the city going back to 2000.

Aanenson said that if TreeHouse and Minnetonka Lutheran Church are removed and last year's numbers are used, then the totals would work. St. Peter agreed.

Smith had a question about the 50 percent increase for HOME Line. Aanenson was considering using the 2011 numbers.

Smith said that if two programs would be eliminated, then the amounts from 2011 would be met.

Commissioners concurred with HOME Line being funded the same as it was in 2011.

Smith saw the most important needs in the community to be for food and shelter. He thought providing more for ICA would be more effective. \$1 gives ICA \$9 worth of food. He hoped to give more funding to ICA.

St. Peter pointed out that CDBG funds are to be used for housing issues. Durbin noted that while the public funds can be used very generically, CDBG tends to be focused on housing; however, the only thing CDBG cannot fund is food shelves specifically. ICA is making a housing request as opposed to the food portion. While CDBG funds cannot fund the food portion, funding the housing portion is possible. CDBG can fund all of ResourceWest's programs because the clients meet low and moderate incomes.

St. Peter said ICA has received the most special money available in three of the past five years.

Aanenson added if the ICA funding is increased, it could be designated to be used for the housing programs to free up other money.

St. Peter would be comfortable swapping the SCS H.O.M.E. program and ICA amounts. SCS H.O.M.E.'s presentation did not seem as compelling as last year. He suggested rounding the amounts to the nearest hundred.

St. Peter suggested ICA at \$9,400; SCS HOME at \$6,200; ResourceWest at \$3,900; HOME Line at \$1,900; and CAPSH at \$4,000.

Isaacson moved, Happe seconded a motion to recommend that the city council adopt a resolution approving distribution of CDBG funds as follows: ICA \$9,400; SCS HOME \$6,200; ResourceWest \$3,900; HOME Line \$1,900; and CAPSH \$4,000. If the city receives a decrease or increase in its predicted allocation of CDBG funds, then the amounts assigned to each applicant shall be adjusted pro-rata. Aanenson, Bjorgo, Coughlin, Happe, Isaacson, Smith, and St. Peter voted yes. Motion passed.

St. Peter felt it fair to say the Livable Communities fund budgeted \$16,000 for Common Bond, Crown Ridge; \$20,000 for Ridgedale YMCA; and \$225,000 for Homes Within Reach. Durbin agreed.

Isaacson confirmed with Wischnack that the Livable Communities fund will not be replenished. Wischnack estimated that the Livable Communities funds resources will run out in seven years.

Smith asked if there is a long-term plan to continue to fund Homes Within Reach. He thought it would be nice to notify Homes Within Reach if the city has no intention of funding the program. St. Peter said Homes Within Reach has been warned each year when it submits an application. Four years ago, the coverage for its funding was changed so it is house specific rather than being allowed to cover overhead and other items. Wischnack noted the HRA fund is more of a long-term fund. What she hopes will happen is that the housing programs will become sustainable about the same time in 2018 and that, eventually, the programs could be picked up if the city still chooses to support them. The HRA levy was intended to support Homes Within Reach.

St. Peter questioned if Homes Within Reach is at risk of losing some of the money that the city previously allocated based on the 24-month utilization. Durbin said there are some 2010 funds that are being worked through. With the sale of the two homes, Homes Within Reach will be using the money and paying it off.

Happe said it gnawed on him a little bit that the same amount of time was spent on a presentation for a \$225,000 grant as was spent on a \$2,500 grant. In this case, of the three options for the Livable Communities fund, Homes Within Reach has the lowest ranking by the commissioners. He was not clear on what the EDAC's charge is tonight. He asked if commissioners could recommend the city council increase or decrease the amount of funds. St. Peter said that is an option that commissioners have. Wischnack clarified that November 21, 2011 is the day the city council considers final recommendations from all departments and commissions. These numbers would be included in that report. The city council may adjust the numbers. For now, this list should be included in the November 21, 2011 memorandum to the city council.

Smith asked why townhomes or condominiums are not being invested in. St. Peter explained state law requires a land lease to run only with a single-family

house. Certain townhome associations, if set up with separate plots of land, could work. Wischnack recalled Deephaven Cove has 5 WHAHLT units; Sanctuary has 4 units; and Lakeside Estates has 1 unit. WHAHLT does invest in alternatives to single-family residences that can be individually owned.

Smith asked if there would be a better way to spend the \$225,000, since it would only benefit 4 families each year. He did not know if that would be the best way to spend the money. Wischnack explained the easy thing to overlook with WHAHLT is the timeframe and amount of affordability over time. No other tool provides 99 years of affordability. The longevity of the affordability must be considered. St. Peter recalled a presentation that explained the WHAHLT concept. Wischnack noted it may be time to do that again for the EDAC.

St. Peter recalled a comparison in 1999 that looked at leveraging funds. WHAHLT came out above individual development even without the term issue of affordability. The cost of land in Minnetonka was in excess of \$600,000/acre. Just bulldozing and building a single building on an acre was very difficult to leverage the land cost out of it to make it viable and then it was only a 30-year maximum.

St. Peter noted the problem is sustainability and generating operating overhead funds which is what the other land trusts have run into difficulty with. Smith recalled, in Woodbury, a couple land trusts that are disbanding. St. Peter provided that the remaining assets transfer into another nonprofit of some kind.

Smith would love to have a longer conversation with Ms. Lindbo. He wants to understand how the organizations sustain themselves.

Smith moved, Isaacson seconded a motion to recommend that the city council adopt a resolution approving distribution of Livable Communities fund as follows: Crown Ridge \$16,000; Minnetonka Heights \$20,000; and Homes Within Reach \$225,000. Aanenson, Bjorgo, Coughlin, Isaacson, Smith, and St. Peter voted yes. Happe abstained. Motion passed.

Happe stated the Historical Society did not meet the minimum required 65 points.

Happe moved, Smith seconded a motion to recommend that the city council adopt a resolution denying the Minnetonka Historical Society's request for funds. Aanenson, Coughlin, Happe, Isaacson, Smith, and St. Peter voted yes. Bjorgo abstained. Motion passed.

Wischnack asked St. Peter when he would like Ms. Lindbo to provide a presentation. St. Peter answered next month. He favored more substance to the meeting. Wischnack will check Ms. Lindbo's availability.

Happe suggested Ms. Lindbo schedule the presentation for July or August of 2012 to prepare for next year's budget discussion. St. Peter was fine with that.

Wischnack suggested sending out budget pages based on what has been talked about thus far. If a commissioner has an issue, then please contact staff who will determine whether or not to call a meeting. St. Peter agreed.

5. STAFF REPORT

Wischnack reported that:

- The process has begun to hire a consultant for the Southwest Light Rail project. The station area plan is still on hold.
- The city council reviewed a concept plan for the station area, and provided feedback supporting more of a transit-oriented design.
- The 169/Bren Road bridge is open. The contractor did a fantastic job of getting it done on time. Staff will conduct a “thank you” event for the public on November 2. Donations of food from area businesses will be given away by staff.

Durbin reported that the Welcome to Minnetonka program’s first loan closed for approximately \$7,000. Staff continues to work with applications received for both programs. Advertising and interest continues for both programs.

Wischnack reported staff made a presentation to the Metropolitan Council requesting \$1.5 million of its Livable Communities Demonstration Account to be used for the YMCA project. Staff is waiting to hear the results of the request. Smith asked for what the funds would be used for. Wischnack answered land acquisition, demolition, and some of the construction for senior housing. There is also the LAAND application which is an interim loan to hold land. Smith asked if the gap would be taken care of by the grant. Wischnack said that had not been determined yet. If this grant is received, then the developer has to begin the application process with a review by the EDAC. A redevelopment contract must be worked out with the EDAC about how the dollars would be used.

Smith asked if the funds would be a grant or loan. Wischnack answered grant. It would be a part of the overall project. Smith thought there is a tremendous amount of source currently unidentified in the sources and uses. Wischnack said if the project moves forward, it would be reviewed by the EDAC again.

6. OTHER BUSINESS

Wischnack will email commissioners to determine when the next meeting will be held. St. Peter asked if any of the dates provided would not work for commissioners. November 7 and November 10 did not work for all commissioners. Everyone could meet at 5 p.m. on November 14. Two commissioners will be unavailable December 22, 2011.

CEO Michael Langley will make a presentation at the Sensible Land Use Coalition on December 7, 2011.

7. ADJOURN

Happe moved, Isaacson seconded a motion to adjourn the meeting. All voted yes. Motion passed. The meeting adjourned at 8:40 p.m.