

**HEARING PROCEEDINGS**  
**Small Cities Development Program**

**December 2, 2008**

The City Council of Thief River Falls, Minnesota, conducted a public hearing at 4:45 p.m. on December 2, 2008 in the Council Chambers of City Hall. The following Councilmembers were present: Bendickson, Cullen, Erickson, Kajewski, Lee, Schmalz, and Mayor Nordhagen. Councilmember Holten was absent. Mayor Nordhagen chaired the hearing.

**PRESENTATION AND DISCUSSION**

Joan Abercrombie, Consultant, presented information relating to the Small Cities Development Program.

1. Pre-application submitted September 4, 2008:

- Proposed rehabbing eight rental units and one commercial building in the City of Goodridge and 19 owner-occupied in the City of Thief River Falls.
- In late October DEED invited a full application for the owner-occupied and rental units.
- The eight rental units will be the Goodridge Retirement Homes and the City of Thief River Falls will be the target area for the owner-occupied rehab units.

2. Owner-Occupied Intent to Participate Forms:

- Sent to homeowners in November 2007 in a limited area of the City.
- 32 homeowners returned the forms.
- Top cited needs: windows (25), doors (20), roof/shingles (12), siding (11), furnace/heating system (9), plumbing (8), and insulation (8).

3. Owner-Occupied Program Specifics (subject to Council approval):

- Will use the three-tiered system.
- Assistance will be in the form of low interest loans and deferred loans.
- Average rehab costs are anticipated to run \$28,500 per unit.
- Maximum SCDP dollars per unit will be \$21,000.
- Rehab costs will be secured with a mortgage. Approximately 19 owner-occupied homes will be rehabilitated under the proposed program.

4. Rental-Rehab Program Specifics:

- Assistance will be in the form of a ten-year deferred loan.
- Estimated rehab costs is \$26,718 per unit.
- Maximum SCDP dollars per unit will be \$12,500.
- Four duplexes (8 units) will be rehabbed.

5. Budget Estimates:

|   |                  |
|---|------------------|
| • Owner-occupied rehab and administration (19 units): |                  |
| SCDP Grant Request                                    | \$437,000        |
| Program Income from previous grant                    | \$100,000        |
| FHLB  | \$ 30,000        |
| Pennington County Levy                                | \$ 10,000        |
| USDA RD   | \$ 15,000        |
| LHCG  | \$ 10,000        |
| ICCC  | <u>\$ 6,000</u>  |
| Total   | \$608,000        |
| • Rental rehab and administration (8 units):          |                  |
| SCDP Grant Request                                    | \$115,000        |
| Owner funds   | <u>\$ 49,200</u> |
| Total   | \$164,200        |
| • Lead Assessments and Clearances (20 units):         |                  |
| SCDP Grant Request                                    | \$ 21,668        |
| MN Dept. of Health                                    | <u>\$ 2,076</u>  |
| Total   | \$ 23,744        |
| TOTAL PROJECT COST                                    | \$795,944        |
| TOTAL SCDP REQUEST                                    | \$573,668        |

6. Grant will be submitted to the Minnesota Department of Employment and Economic Development on or before January 15, 2009. Grant awards are expected to be announced in March 2009.

**CLOSURE OF HEARING – ADJOURNMENT TO MEETING**

There being no further discussion, Councilmember Cullen moved, being seconded by Councilmember Lee, to adjourn the hearing at 4:55 p.m. On vote being taken, the Chair declared the motion unanimously carried and the hearing adjourned.

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Steve Nordhagen, Mayor

Attest: \_\_\_\_\_  
Jodie R. Torkelson, City Administrator