

City of Sandstone
EDA Meeting Minutes
March 6, 2019

CALL TO ORDER: 6:00 p.m.

ROLL CALL: Kester, Spartz, Franklin, Palmer, and LaBounty

Members absent: Devlin, Anderson

Staff present: Administrator George

Others present: Wayne Eller, Executive Director, East Central Minnesota Habitat for Humanity

PLEDGE OF ALLEGIANCE:

Council, guests and staff recite pledge of allegiance.

PUBLIC HEARINGS / PRESENTATIONS:

Wayne Eller, East Central Minnesota Habitat for Humanity – Eller was invited to talk with the EDA about the possibility of partnering with the City to build some homes on the tax-forfeited lots the City acquired. Eller stated that he has been the Executive Director for 18 years. Habitat previously built 2 homes in Sandstone and there have been no difficulties with these properties whatsoever. He reviewed a PowerPoint presentation with the EDA and discussed various aspects of the program.

Eller stated that there is an application and interview process to select qualified candidates for homes. Successful applicants must contribute 265 hours of work on the home. They must provide a \$200 down payment and demonstrate the ability to make loan payments. Habitat provides a zero-interest loan. The loan amount is the actual cash that was expended to build the home. Habitat then takes out a 2nd mortgage on the home for the difference between the cash that was spent and the actual valuation of the home. The 2nd mortgage stays on the property for 30 years. Eller stated that the typical monthly payment is between \$550 - \$650 and includes insurance and property taxes. Habitat stays in contact with the homeowners for at least one year, making sure they are taking care of the property and assisting them in budgeting and other needs they may have. There is a clause in the mortgage documents stating that Habitat can foreclose on the property if there are 3 police calls.

With regard to building homes in Sandstone, Eller stated that Habitat can build 2 homes in a year, taking advantage of economy of scale / mobilization costs. He expressed interest in all 5 available lots, and would like to look at them again once the snow is gone.

Eller made the following request for the City to consider, if Habitat were going to build in Sandstone:

- Provide a survey for each lot
- Provide assurance that there are no environmental concerns on each lot
- Waive SAC / WAC fees
- Assist with Social Media campaign – getting the word out
- Encourage local businesses to partner with Habitat on the projects
- Provide Title insurance

He stated that typically they also ask the City to waive the building permit fee; however, Eller noted that the City contracts for this service and, therefore, would have to pay the Building Official. Therefore, he is not asking for the building permit fees to be waived.

EDA Members asked various questions, which Eller was able to answer. He also provided his cell phone number in case anyone would like to talk to him further.

ADJOURN

Motion Franklin, second Palmer to adjourn at 7:35 p.m. Motion carried 5-0.

Phillip Kester, Chair

Kathy George, Executive Director