

City of East Bethel
Housing and Redevelopment Authority

Regular Meeting – 7:00 p.m.

Date: May 7, 2014



	Item	
7:00 PM	1.0	Call to Order
7:01 PM	2.0	Adopt Agenda
	Page 1	
7:02 PM	3.0	Approve Minutes- April 2, 2014
	Page 2-10	
7:05 PM	4.0	Septic System Repair Grant and Well Assistance Loan Coon Lake Beach
	Page 11-13	
7:15 PM	5.0	Adjourn

City of East Bethel
Housing and Redevelopment Authority Annual Meeting
April 2, 2014

The Housing and Redevelopment Authority (HRA) met on April 2, 2014, for a regular meeting at City Hall at 6:30 PM.

MEMBERS PRESENT: Bob DeRoche Ron Koller Tim Harrington
 Heidi Moegerle Tom Ronning

MEMBERS EXCUSED: None.

ALSO PRESENT: Jack Davis, City Administrator
 Mark Vierling, City Attorney

1.0 DeRoche called the regular meeting to order at 6:30 PM.

**Call to
Order**

2.0 **Koller made a motion to adopt the April 2, 2014 Housing and Redevelopment Authority (HRA) regular meeting agenda. Ronning seconded. All in favor, motion carries.**

**Adopt
Agenda**

3.0 **DeRoche made a motion to approve the January 22, 2014, HRA Meeting Minutes. Koller seconded.**

**Approve
Minutes**

DeRoche, "There are some statements in here that I don't recall making and it had to do with a discussion in which I apparently said that \$600 of the HRA money could go back to the taxpayers. I don't think I've ever said that because I've always said that money can't go back to the taxpayers, it has to be used on projects."

Vierling, "Page 4, last full paragraph, 'for clarification, \$600 some odd dollars can go back to the taxpayers.'"

DeRoche, "Right, I don't think I've ever made that statement. This is, again, you know the minutes, from what I see there is some content missing, there are statements that are cut off, and if these are the official record, I think we need to look at going through and redoing them."

Moegerle, "During the GRE mediations, there were some different concerns about what the transcription of Mr. Schedeen said versus what the video tape showed. And, the video tape is 100% accurate. And, since that time, I've been an advocate that the DVD should be our official minutes. We keep the minutes for the purposes of the votes, which is what they need to be but I think for the purposes of recording the discussion and the back and forth, I think we should really consider looking at having the DVD being our official record of the meeting. And, it gets around these issues." Ronning, "We've already moved on that. That's year old news." Moegerle, "Still an issue that can be resolved."

DeRoche, "Jack, what would it take, we don't even have a minute taker tonight, so..." Davis, "Just for a point of information, we could go back and check that statement. Wendy prepared these minutes. If you want us to go back and check that for clarification of your statement." DeRoche, "Or, I'll listen to it, I don't care. I mean if I said it, I said it. But I've always advocated that the money can't go back to the taxpayers."

Ronning, "What \$600 dollars would it be?" DeRoche, "\$600,000." Ronning, "Oh, that's not chump change."

DeRoche, "No. So, I guess, I'll continue on and approve it and we'll just go back and change it?" Davis, "We can table them, check the statement, see what it was, get it corrected if necessary, and bring it back at the next HRA meeting."

Ronning, "There is a motion on the table." Vierling, "A motion to table is permissible, even if there is a motion on the table."

DeRoche made a motion to table the January 22, 2014, HRA Meeting Minutes. Koller seconded.

Vote: DeRoche, Harrington, Koller, Ronning-Aye; Moegerle-Nay. Motion carries 4-1.

4.0
**CDBG
Grant
Application
Septic
System
Repair,
Coon
Rapids
Beach**

Davis explained that Resolution 2013-72 Approving CDBG Grant Application, as approved by City Council at the December 18, 2013 Council Meeting authorized Staff to submit an application for Community Development Block Grant Funds for the purpose of assisting individual qualified home owners to repair or replace non-compliant septic systems in the Coon Lake Beach Neighborhood.

The City of East Bethel applied for Community Development Block Grant (CDBG) funds from the Department of Housing and Community Development (HUD) through a program administered by Anoka County on January 15, 2014. The amount requested in the application was \$300,000. The Project funds will be used to assist Coon Lake Beach low- and moderate-income (LMI) households to upgrade or replace non-compliant or non-functioning septic systems. The City has been notified that the Anoka County Community Development Department's recommendation is for the award of \$200,000 for this program. The final decision will be made at the regular Anoka County Board meeting on April 22, 2014.

Should the funding be approved, the basic criteria for distributing the funding of individual grant awards will be to assist those households who meet the HUD Area Median Income (AMI) guidelines. The priority for approval will be based on the income levels as shown in the attachment in your packet. Those with the lowest incomes are required to be served first if they can substantiate the following:

- Provide documentation of home ownership
- Certify permanent residency (in cases where incomes are equal, preference will be given to non-seasonal residents)
- Demonstrate the capability to physically and legally accommodate septic system improvements on the property owned by the applicant.
- Provide evidence that the system in question is non-compliant or a failed system

As soon as the City receives final approval of the grant award, the implementation process will be as follows:

- Staff will meet with interested applicants to explain the program, the guidelines and the procedure for application for the funds and the procurement of services
- Staff will provide applications to those who have interest in applying and explain the income survey portion of the applications
- A deadline for submission of ISTS (Individual Septic Treatment Systems) designs and

- costs from three certified septic designers and installers will be explained
- Submittal income surveys to Anoka County for income verification will be explained
- Evaluate the eligible applicants in terms of their LMI status and the cost of their proposed improvements will be rated
- Establish the reimbursement procedure between the City and Anoka County for the disbursement and reimbursement of grant funds will be gone over

In addition to providing funds for septic system compliance repairs, there may be circumstances where homeowners who qualify for the CDBG funds, may need to replace their wells to insure a non-contaminated source of water. HRA funds could be used to assist those homeowners through a Loan only program. This loan could be structured as a special assessment where the City would hire the contractor based on competitive bidding to perform the well installation or repair and then assess the homeowner through property taxes. The qualification criteria would be the same as the septic program eligibility guidelines.

The City of East Bethel would allow the benefited property owner to reimburse the City through a special assessment at rates and length of assessment as yet to be determined. Special assessments would be provided to Anoka County by November 20th of each year in order for them to be added to the property tax bill the following year.

Should we encounter a situation where a new well or substantial well repairs were required to meet basic water quality standards, the process and guidelines for approving this type of loan would have to meet the qualification under the income requirements for the septic system program along with the following:

- Provide documentation of home ownership
- Certify permanent residency (same as the septic funding requirements described above)
- Demonstrate the capability to physically and legally install a well with the required setbacks and other regulatory conditions that pertain to drilled wells
- Provide evidence that the well in question has failed or is a public health issue
- Be part of the approval of CDBG funds for septic system repair
- Provide evidence that all City taxes are current through pay 2013

Should this proposal, the loan well repair, be of interest to Council, HRA funds in the amount of \$50,000 or other sums could be designated as loans with terms and interest to be determined.

Staff is seeking direction from the HRA as to comments on the CDBG Project and interest in establishing a loan program for well repair or replacement.

DeRoche, "Well, this is for information, correct? And, staff direction?" Davis, "The only thing is if you are interested in providing some money if people need some well repair or replacement in addition to their septic system repair or replacement. We could provide some additional loan monies, which instead of actually us being the one that issued the loan and collected it, we would just do it through an assessment procedure. And, this would allow some people, I think that we may run into some issues where there are well issues along with septic issues. This would be an opportunity to solve that problem through the HRA program.

DeRoche, "Would we be better to wait to work on the well program until we make sure we get the \$200,000 for the CDBG grants?" Davis, "We could do it either way. We could

designate it now. We won't know until April 22nd. Our next regular scheduled HRA meeting won't be until the first Wednesday in July. So, we can wait on that if you want to.

Moegerle, "Could we schedule a special HRA meeting in May?" Davis, "We can meet any time we call a meeting." Moegerle, "I think if we get it, we should do that. But, I certainly think that, knowing a thumbnail sketch of what is involved in advance of the May meeting would be wise."

Ronning, "Is there an inventory of shallow wells versus deep wells?" Davis, "We don't have that information. The DNR keeps that information at the Minnesota Health Department so those are the ones we'd have to contact to see. We would have to supply them with addresses. Then you can get the well drillers report as to what the wells are and the depths."

DeRoche, "What do you think Ron?"

Koller, "With all the small lots over there, are we going to run into a lot of problems with not enough room?" Davis, "That is why I say one of the considerations to be eligible, you have to be able to physically demonstrate that you can get the septic system on your lot and meet all the setback requirements. It could be a problem with some people."

Koller, "And if they can't?" Davis, "If they can't, their only other option is to look at a holding tank. We've also told them that if they do apply for this, we won't identify them as targets to go after to make immediate repairs. Unless they have a failed system. The other thing, they could work out and see what they could do to combine lots, if there is a vacant property by somebody. But, that is not always going to be the case. It's going to be a very tricky situation for some people to get them in over there."

Koller, "Well a \$200,000 grant and I'm guessing \$10,000 a septic system so that is only enough for 20. And, we have 115 nonconforming?" Davis, "We identified 115 that were noncompliant. Noncompliant means that they may be working okay but they don't meet current standards. There are some that are probably either failing or failed. But, again, that doesn't identify the income levels so the attached sheet will eliminate several of those on the list. The initial meeting we had over there indicated that there was maybe 12 or 15 people indicated they would be interested. We have been contacted by 5 or 6 others. Some of those that were at the meeting, though, were seasonal residents so I think one of the things we agreed on is far as distributing the funds, is that you have to be a permanent resident of the Beach. That gives you first priority for qualification."

Koller, "I know there are several elderly people living out there in pretty rough houses that could use all the help they can get." Davis, "Here again, let's say we exhausted the funds and there were two or three others, we could still go back with the HRA funds and say we can designate this through loan or grant, however we want to do it and take care of some of those that may need it but fell a little short on the other qualifications. As long as they meet the income guidelines, we are in good shape. But, we do have some other means to address that if we so choose."

Ronning, "Is there another means, for this thing, for instance, there is a shallow well that is getting contaminated by septic, whatever, and they go to a deep well, 150-200 feet deep, does that do anything?" Davis, "That may solve the problem, you probably have to rely on what the Department of Health and some of the well driller's knowledge is or check with

other people's adjoining wells to see what their depth was and if they had any contamination. And, you know, some of it could be, there could be two wells on adjoining properties and they may be able to do a shared well to work out some kind of agreement where they can do that."

Ronning, "I remember Voss saying at one of these meetings his well was 300 feet." DeRoche, "Mine's at 295." Ronning, "Really. How many pumps you have to lift that stuff?" DeRoche, "Just one and you don't have to worry about any iron pills. Well, what do you think Tim?"

Harrington, "That answered my question. On the septic, is there any way they can share a septic? I know up north and certain areas that share one septic system." Davis, "No, you can do shared wells but you can't do shared septic unless it is designed to accommodate the bedroom sizes of both properties. Then I'm sure you'll have to have some type of an agreement about the maintenance of it. I think it is something you'd definitely want to avoid."

Vierling, "Maintenance of those is very difficult."

Davis, "Generally they size the septic drain fields based on the number of bedrooms for a residence. If you get above six or seven bedrooms, then you're treated in a different category. So, that becomes very, very expensive and probably requires more acreage or square footage to put drain fields in."

Moegerle, "You are talking about cluster systems." Davis, "That could be a cluster system but would be one to serve two households. If you had seven bedrooms then you will really be up there as far as requirements jump up to the next level."

DeRoche, "All right, you got enough direction Jack?" Davis, "So, we want to bring this back then after we find out what the award is and then we'll make our decision."

Moegerle, "Can that be the first meeting in May?" DeRoche, "Let's get the information back and then we'll decide." Davis, "It can be. One of the things I was going to bring up a little later, we made some revisions and changes in our Personnel Policy. I'd like to get that at a Work Meeting to review that either the first or second meeting in May, whichever one. We could do them both, it shouldn't take long to do this. We could do this at the first meeting in May. I think the sooner we do it, the better we are."

Ronning, "First we have to see if we can get it." DeRoche, "Well, again, I suggest we get it first and then we look at, see what everyone's schedule is then."

Moegerle made a motion to schedule an HRA special meeting at 7:00 p.m. on May 7, 2014, to discuss the proposed well loan program if and only if the CDBG septic grant is approved. Koller seconded.

Ronning, "We moved during a Work Meeting?" Moegerle, "This is an HRA meeting."

DeRoche, "Discussion? I guess I have a problem with it because maybe it suits certain people's schedule but, again, I think we ought to see if we're going to get the grant and then we look and see what everyone else's schedule looks like."

Moegerle, "My motion is we have the meeting 'if and only if' we receive the award and it's immediately before a regularly scheduled Council meeting, one-half hour before. It would be a brief meeting because there are only a few things to discuss."

Ronning, "What is required to start, schedule an HRA meeting?" Vierling, "Fundamentally, you are in the same type of requirements you are for any type of City Council meeting which means you have to have either a call from the Chairman and one more member, you have to have it posted at least three days beforehand, things of that nature. So, not that difficult to do."

Moegerle, "And we'll get the notification on April 22nd so we'll have plenty of time to comply with all of that before our May 7th meeting."

Ronning, "I'm not real much in favor of 'chickens before the eggs.'" Moegerle, "That is why I added 'if and only if' so this motion doesn't come into effect unless we get the \$250,000. That's the beauty of that motion and those words."

Ronning, "I understand that but I can, if somebody's really hard up, this looks like some hope because it would be reported like that and to just get it yanked out from under them, I don't like that." Moegerle, "We wouldn't be posting the meeting until." Ronning, "But the word would go out that this is what we plan on doing. We're going to work with so many people's wells and we're going to put money from HRA." Moegerle, "It is already written down and we've had enough discussion. The condition precedent is that we have to get the money. So, I don't see that that is a genuine issue."

DeRoche, "I'll call for the vote and would like a roll call vote so that no one can duck."

Roll call vote: Harrington, Koller, Moegerle-Aye; DeRoche, Ronning-Nay. Motion carries 3-2.

5.0
City SAC
and WAC
Loan
Request

Davis explained the City's portion of the Municipal Utility Project is complete and there are 13 businesses that are required to connect to the system. There is a substantial cost to these businesses owners for accessing the new utilities and City Council and the Economic Development Authority discussed ways to minimize the financial impact. As a result, "The Utility Infrastructure Loan Program" was approved by City Council on April 17, 2013, to address this situation.

The program provides for loan amounts to cover up to four City SAC and WAC and MCES SAC charges and an additional \$5,000 toward costs for the physical connection to the system. The initial maximum loan amount was \$37,800. December 31, 2013, was the original deadline to apply for these funds. The expiration of the Utility Infrastructure Loan Program was discussed at the January 22, 2014, HRA meeting and it was recommended that City Council extend this program for an additional 90 days. This extension would enable any remaining property owners to address any eligibility issues for loan applications that are outstanding. One loan has been approved from this fund and a second loan was tabled due to issues with eligibility.

Approved loans are for a five-year period at an interest rate of 4%. Eligibility for the loan requires that all eligible applicants must be in good standing with the City and all property taxes, applicable city licenses, and utilities must be current and paid. Two of the affected properties in the service area have not paid their SAC and WAC fees and/or have not

applied for these loan funds.

Council approved an extension of this loan program on February 5, 2014, for an additional 90 days.

In order to implement the program it was necessary to transfer certain amounts of money, \$281,400, from the HRA to the EDA.

As was previously reported, we had two applicants for the Loan Program, Northbound Woodworks (\$16,400) and Rickey’s Properties, LLC.

Rickey’s Properties did not meet the initial loan requirements. Staff has since received notification from the Anoka County Property Records and Taxation Department that Rickey’s Properties, has a Confession of Judgment (#5084) set up for their delinquent taxes. They are currently up to date on this Confession of Judgment. Their next payment is due is for the first half 2014 taxes on May 15, 2014.

They do not have a Confession of Judgment (COJ) payment due until December 31, 2014. A requirement of the plan with the County is to keep their current taxes paid. Anoka County received their 2013 tax payment on February 28, 2014.

Staff is seeking comments from the HRA on this matter as to the approval of the loan for Rickey’s Properties LLC.

Ronning, “See if anybody bites for this.”

Ronning made a motion to indefinitely extend the Utility Infrastructure Loan Program and provide a 90-day notice upon any decision to conclude the Program.

Moegerle, “The HRA’s here into perpetuity. I don’t understand why we’d want to continue the HRA.” Ronning, “I’m talking about the loan.” Vierling, “Loan program?” DeRoche, “Right.” Ronning, “Yes.”

Moegerle, “But it only applies to the folks down in the sewer district so those two people, or two businesses, sorry.” Ronning, “My thought is that it may be made clearer that the current loan, the present loan system that we have in place, would continue without an end date to be concluded with a 90-day notice from the City Council.”

DeRoche, “How many do we have hooked up Jack? Or, have taken advantage?” Davis, “There are only, there are currently three property owners who have not paid their SAC and WAC fees. And, one of them has applied for this loan so they can pay them. That leaves two that haven’t paid their SAC and WAC fees. Those two were submitted to the Anoka County Property Records and Taxation Division so they will be assessed those on their taxes. Rickey’s Properties has also sent in but if they get the loan then they can pay this off and then it will be removed from their taxes.”

Moegerle, “I had a question about the write up. The next payment is due is the first half of 2014 taxes on May 15, 2014. That’s the first half of taxes payable in 2014. That’s 2013 taxes payable in 2014?” Davis, “that’s their first half of pay 2014 taxes.”

Moegerle, “Okay, so my question is the last sentence: ‘Anoka County received their 2013 tax payment on February 28, 2014.’ So, is that the first half, is that what’s due and payable

May 15?" Davis, "No, the 2013 received on February 28, 2014, was their last half of 2013." Moegerle, "Payable?" Davis, "Paid 2013." Moegerle, "Okay."

DeRoche seconded.

Moegerle, "At this point there are only two entities that have not hooked up. Is that correct?" Davis, "Well, we have four and a half actual physical connections. The theater is in the process of, hopefully they will be hooking up to the water as soon as the weather breaks. Classic Construction is connected. Shell Trucking is connected. Aggressive Hydraulics is connected. And, there's one other, I'll have to look it up to see what it is. The Theater is connected to the sewer."

Moegerle, "But, how many left are eligible for this? The remaining nine?" Davis, "There were 13 that were eligible initially. Ten have paid their SAC and WAC charges."

DeRoche, "So, there are only three left." Davis, "There are only three left and one is actually applying for the loan now. If this one is approved, then there will only be two that haven't paid their SAC and WAC fees."

Moegerle, "So it would be, and do you know if those two are aware of this Program?" Davis, "Oh yes, they are aware of it." Moegerle, "And, have they indicated that they have any interest to apply for this?" Davis, "They've provided no notification whatsoever of their interest." Moegerle, "Okay."

Ronning, "One of them have seemed to show a pretty good effort with the Confession of Judgment. Whether they are still hoping for this or not, I don't know but I'd like to have the opportunity to help somebody if we can and still have the authority, which we would, to conclude within 90 days."

DeRoche, "Isn't this write up so that we do okay Roger Rickey through this?" Davis, "That's correct. We are seeking your permission to approve the loan to Rickey's Properties, LLC."

DeRoche made an amendment motion to approve Rickey's Properties LLC Utility Infrastructure loan application in the amount of \$21,656. Moegerle seconded.

Moegerle, "I think that should be a second motion." DeRoche, "Well, that is what we are talking about." Moegerle, "No, what we are talking about, the motion is extending this ad infinite item to end with 90-days notice. There's two businesses that are aware of this Program, they have notice, they have expressed no interest in it. I don't see that there's a reason to continue this Program for the benefit of those people on there when, to contact us after they know the terms of the Program. Mr. Rickey is here, staff has asked for us to approve that. We haven't made the motion for that. My guess is that it would be something we're most likely to approve but I don't know that. So, I don't see any reason to extend this any longer. You know, there are rules and you play by the rules, we extended it 90 days. You know, I'm glad to help people but..."

DeRoche withdrew his amendment and called the question on the motion to extend the Program indefinitely.

Roll call vote: DeRoche, Harrington, Koller, Ronning-Aye; Moegerle-Nay. Motion

carries 4-1.

DeRoche made a motion to approve Rickey’s Properties, LLC Utility Infrastructure Loan application in the amount of \$21,656. Moegerle seconded.

Ronning, “The reason I was going the way I was, is we have a task to make this work and part of that task, in my opinion, is to work with people that are helping us try to make it work. And, they are not really anxious to work with us on this sort of thing but they will because they have to. But, that’s part of the process to me.”

Moegerle, “Are we talking about the other two entities that are knowledgeable about this but expressed no interest in taking advantage of it? Is that what your comment is addressed to?” Ronning, “Whoever is eligible. I don’t care about names. Names don’t mean anything to me.” Moegerle, “I don’t care about names either. But, we know these two entities, whomever they are, they’ve had notice about it, we generously gave an additional 90 days, they still have expressed no interest in it. You know, clearly this is not an approach they want to take.”

Ronning, “What’s your motion?” Vierling, “The motion’s on the table to accept the Rickey application for the Program.”

DeRoche, “We’ve already accepted the extension. Now we are talking about Roger Rickey and whether we are going to allow him to participate in the Program based on the information he’s submitted.”

Moegerle, “I think he’s done back flips to qualify for this and I think that shows good interest. I think it highly recommends and commends him for doing it. So, absolutely.”

DeRoche, “And, just as a matter of record, Mr. Koller is the Chairman of the HRA.”

Koller, “Okay, so I will call the vote.”

All in favor, motion carries.

6.0 **Moegerle made a motion to adjourn the HRA meeting at 7:00 PM. DeRoche**
Adjourn **seconded. All in favor, motion carries.**

Attest:

???

Submitted by:
Carla Wirth
TimeSaver Off Site Secretarial, Inc.



City of East Bethel Housing & Redevelopment Authority Agenda Information

Date:

May 7, 2014

Agenda Item Number:

Item 4.0

Agenda Item:

Coon Lake Beach Septic System Repair CDBG Application and Well Assistance Loan

Requested Action:

Project update and request for consideration of a Well Loan/Assessment Program

Background Information:

Resolution 2013-72 Approving CDBG Grant Application, as approved by City Council at the December 18, 2013 Council Meeting authorized Staff to submit an application for Community Development Block Grant Funds for the purpose of assisting individual qualified home owners to repair or replace non-compliant septic systems in the Coon Lake Beach Neighborhood.

The City of East Bethel applied for Community Development Block Grant (CDBG) funds from the Department of Housing and Community Development (HUD) through a program administered by Anoka County on January 15, 2014. The amount requested in the application was \$300,000. The Project funds will be used to assist Coon Lake Beach low and moderate income (LMI) households to upgrade or replace non-compliant or non-functioning septic systems. The City has been notified that the Anoka County Community Development Department's recommendation is for the award of \$200,000 for the program. The Anoka County Board of Commissioners approved the project award of \$200,000 and the official notice of the award should be received by May 16, 2014.

The basic criteria for distributing the funding of individual grant awards will be to assist those households who meet the HUD Area Median Income (AMI) guidelines. The priority for approval will be based on the income levels as shown in Attachment #1, Area Median Income Chart. Those with the lowest incomes are required to be served first if they can substantiate the following:

- Provide documentation of home ownership
- Certify permanent residency (in cases where incomes are equal, preference will be given to non-seasonal residents)
- Demonstrate the capability to physically and legally accommodate septic system improvements on the property owned by the applicant.
- Provide evidence that the system in question is non-compliant or a failed system

As soon as the City receives final notification of the grant award, the implementation process will be as follows:

- Meet with interested applicants to explain the program, the guidelines and the procedure for application for the funds and the procurement of services
- Provide applications to those who have interest in applying and explain the income survey portion of the applications
- Set a deadline for submission of ISTS (Individual Septic Treatment Systems) designs and costs from three certified septic designers and installers
- Submit income surveys to Anoka County for income verification
- Evaluate the eligible applicants in terms of their LMI status and the cost of their proposed improvements
- Establish the reimbursement procedure between the City and Anoka County for the disbursement and reimbursement of grant funds

Note: the project application and legal documents will be prepared after notice of final award.

Per Councilperson’s Moegerle’s motion, seconded by Councilperson Koller, and as approved by a roll call vote with Moegerle, Koller, Harrington voting Aye; DeRoche and Ronning voting Nay, a HRA special meeting at 7:00 p.m. on May 7, 2014 has been called to discuss the proposed well loan program provided that the CDBG septic grant is approved.

Supplemental Well Assistance Program

In addition to providing funds for septic system compliance repairs, there may be circumstances where homeowners who qualify for the CBDG funds, may need to replace their wells to insure a non-contaminated source of water. HRA funds could be used to assist those homeowners through a Loan only program. This loan could be structured as a Special assessment where the City would hire the contractor based on competitive bidding to perform the well installation or repair and then assess the homeowner through property taxes. The qualification criteria would be the same as the septic program.

The City of East Bethel would allow the benefited property owner to reimburse the City through a special assessment at rates and length of assessment as yet to be determined. Special Assessments would be provided to Anoka County by November 20th of each year in order for them to be added to the property tax bill the following year.

Should we encounter a situation where a new well or substantial well repairs were required to meet basic water quality standards, the process and guidelines for approving this type of loan would have to meet the qualification under the income requirements along with the following:

- Provide documentation of home ownership
- Certify permanent residency (same as the septic funding requirements described above)
- Demonstrate the capability to physically and legally install a well with the required setbacks and other regulatory conditions that pertain to drilled wells
- Provide evidence that the well in question has failed or is a public health issue
- Approval of CBDG funds for septic system repair
- Provide evidence that all City taxes are current through pay 2013

Should this proposal be of interest to Council, HRA funds in the amount of \$50,000 or an alternative amount could be designated as a loan fund with the final amount available, terms and interest to be determined.

Attachments:

Recommendations:

Staff is requesting Council consideration of a Well Loan Assistance Program to be used in conjunction with the Coon Lake Beach Septic System CDBG Grant utilizing HRA funds in an amount to be determined and direction to Staff as to Council's preference in this matter.

East Bethel Housing and Redevelopment Authority Action

Motion by: _____

Second by: _____

Septic _____

Vote Yes: _____

Vote No: _____

No Action Required: _____