CITY OF SAINT PETER, MINNESOTA
AGENDAS AND NOTICE OF MEETING

Regular Workshop Session of Monday, August 5, 2019
St. Peter Room – Community Center – 5:30 p.m.
600 South Fifth Street

I. CALL TO ORDER

II. DISCUSSION
A. Finance Department Presentation
B. Housing Rehab Program
C. Highway Right-Of-Way Issue

III. ADJOURNMENT

Office of the City Administrator
Todd Prafke
TO: Honorable Mayor Zieman
Members of the City Council

FROM: Todd Prafke
City Administrator

RE: Department Presentations: Finance Department

ACTION/RECOMMENDATION

None needed. For Council information and discussion only.

BACKGROUND

The July 1st workshop session will feature Finance Director Vogel providing a presentation on the Finance Department.

Please feel free to contact me if you have any questions or concerns on this agenda item.

TP/bal
TO: Todd Prafke  
City Administrator  

FROM: Russ Wille  
Community Development Director  

RE: Small Cities Development Program – Owner Occupied Housing Grant Program – Environmental Review  

ACTION/RECOMMENDATION  
None needed. For your information and discussion only.  

BACKGROUND  
Byron Jost of Minnesota Valley Action Council will attend the workshop to explain the environmental review required for the housing rehab grant program.  

Earlier this year, the City received notice that the Small Cities Development Program has funded the City’s owner-occupied housing rehab program. Minnesota Valley Action Council (MVAC) has been retained by the City to submit the grant application and administer the housing rehab program.  

Before any of the funds can be released, we are required to undertake a “Broad-level Tiered Environmental Review of the targeted areas. MVAC has completed the review and has prepared the report which is included in the agenda packet for City Council review. The review indicated the project can be categorically excluded from having to undertake any environmental remediation and the project should have no material impact on the environment. As the certifying authority for the program Mayor Zieman has executed the document on behalf of the City.  

At this time, the City can request the release of the grant funds. However, before the request can be made we need to provide public notice of the City’s intent to request the release of funds via publication in the St. Peter Herald. A copy of the notice is attached. Note that the date will need to be moved back one week to accommodate the Herald’s deadline for submittal of legal notices.  

Mr. Jost can answer any questions that you may have regarding the documents at Monday’s workshop session otherwise, please feel free to contact me should you have any questions or concerns on this agenda item.  

RJW
Small Cities Development Program Preliminary Proposal

Applicant (City/County): St. Peter
If Multi-Community Proposal, List Partnering Community(ies) None
Application Author: Byron Jost / MVAC

SCDP Amount Requested $598,500
Estimated Amount of Other Funds $100,000
Program Income $0
Estimated Total Project Cost $698,500

If Program Income, Identify the source(s) with an “x”: SCDP

Sources and Uses Outline

List the proposed activities and proposed goals. Please separate administration costs from each activity.

<table>
<thead>
<tr>
<th>Activity</th>
<th># of Units</th>
<th>SCDP Cost per Unit</th>
<th>Total SCDP</th>
<th>Program Income (if applicable)</th>
<th>Total Leveraged Sources</th>
<th>Source of Leveraged Funds-use “c” after source if committed</th>
<th>Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Rehab</td>
<td>25</td>
<td>$21,000</td>
<td>$525,000</td>
<td>$</td>
<td>$100,000</td>
<td>City funds, MHFA, DOE WX, RD through MVAC</td>
<td>$625,000</td>
</tr>
<tr>
<td>Rehab Admin.</td>
<td>25</td>
<td>$2,940</td>
<td>$73,500</td>
<td>$</td>
<td>$</td>
<td></td>
<td>$73,500</td>
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</tr>
<tr>
<td>Totals</td>
<td>25</td>
<td>$23,940</td>
<td>$598,500</td>
<td>$</td>
<td>$100,000</td>
<td></td>
<td>$698,500</td>
</tr>
</tbody>
</table>

Please fill out the information only for the sections that correspond with the activities being proposed. Only submit the application sections that apply to the proposed project. For a sample activity and goal outline, see sample attached.
Owner Occupied Housing Rehabilitation

Background

- If this activity is part of a multi-community application—complete and provide separate answers to the following questions for each partnering community.

- Proposals will need to designate a target area of the city. A Plan B option can be proposed that would serve as a contingency if the interest in the primary target area proves not sufficient to meet the proposed goals. Designating a Plan B should be strongly considered as DEED will not allow any other target area expansions for projects that are being implemented.

- Cities with populations of 1000 or less can propose city-wide target areas. Cities with populations of 1001 or more must propose a target area and cannot propose a city-wide option as Plan B. If the total population of the combined cities for multi-community applications exceeds 1000, each city will need to propose a target area A and Plan B options, if applicable.

Community Questions

Primary community: City of St. Peter
Population of primary community: 11,196
Type of rehabilitation area proposed: Target Area X

Partnering community #1 (if applicable): None
Population of partnering community #1 (if applicable): None
Type of rehabilitation area proposed: City-wide None or Target Area None

Partnering community #2 (if applicable): None
Population of partnering community #2 (if applicable): None
Type of rehabilitation area proposed: City-wide None or Target Area None

Maps

Attach a map of the city limits with the primary target area (if targeted) shown within the city limits. If applicable, maps should be included for all communities. If applicable, include the proposed Plan B area option on the map(s). The answers to the questions below should include the total combined data for the primary target area in addition to any Plan B area, if a Plan B area is proposed.

Provide a second color map with all homes within the proposed rehabilitation area (city-wide or target area with a Plan B, if applicable) clearly labeled as standard or substandard and how many of those have interested property owners who are LMI.

Refer to sample maps at the end of this document.

Activity Specific Questions

Does this proposal include a Plan B target area? Y/N/NA Yes
Grantee/Administrator/Co-Funder/Author/Legisative District Information Sheet
Small Cities Development Program – State of Minnesota

Need
Number of substandard single family houses in target area(s) (Primary and Secondary) 414
Percentage of substandard, but suitable for rehabilitation, homes in target area(s): 33%
Median household income of target area(s) (see Exhibit C on last page of Proposal for help): $54,071
Average age in years of houses in target area(s): (81.4 for 139 primary / 64.1 for 45 2ndary) 81.4
Projected number of substandard, but suitable for rehabilitation, homes in target area(s) that contain LMI households: (% LMI from surveys applied to T. substandard = X) 236

Impact
Number of single family houses in target area(s): 1,238
Number of LMI homeowners in substandard, but suitable for rehabilitation houses in the target area(s) who are interested in the proposed rehabilitation project: (85 LMI and Interested from the surveys Div. 182 T. HHs = 46.7%. Times 414 = 193 LMI and Interested occupying substandard housing) 193
Number of square blocks in target area(s): 141
Number of homes proposed for rehab with SCDP funds in the target area(s). (This number should be the same as the goal proposed in the sources and uses outline): 25

Cost Effectiveness
Maximum SCDP assistance amount per house (cannot exceed $25,000): $25,000
Expected average SCDP assistance amount per house: $21,000
SCDP Administration percentage: 15%

Complete Scenario #1 or #2 below as it applies to your request:

Scenario #1
If the amount of SCDP will not be based on homeowner affordability, please answer the following questions:
Percentage of the total SCDP assistance that will be a deferred loan: % N/A
If applicable, percentage of the total SCDP assistance that will be an installment loan: %
Length (minimum of 84 months) of SCDP deferred loans: Months N/A
Cost Effectiveness

If applicable, length of SCDP installment loans

Scenario #2
If the terms of the SCDP will be based on homeowner affordability. Explain how the SCDP assistance will be determined for applicants. The explanation should consider the following:

In order to participate in this program a household must meet the income guidelines by family size listed below. In addition, those with calculated affordability will be required to contribute up to 30% of the total project cost. Those without calculated affordability will receive 100% grant. Affordability is calculated by checking the owner’s credit score and then comparing housing obligations to income for a debt-to-income ratio; and finally determining housing loan-to-value ratio. The calculated monthly affordability is then applied to the Minnesota Fix-Up Fund loan terms (currently 6-years and 5.99%) to arrive at a dollar value to apply to the total project cost.

<table>
<thead>
<tr>
<th>HH Size:</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7 &amp; 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max Inc.$:</td>
<td>42,000</td>
<td>48,000</td>
<td>54,000</td>
<td>60,000</td>
<td>64,800</td>
<td>69,600</td>
<td>etc</td>
</tr>
</tbody>
</table>

Percentages of SCDP funds per income tier:

Many years of administering SCDP housing programs has shown that on average, SCDP funds are distributed roughly as this percentage to each of the income tiers:

<table>
<thead>
<tr>
<th>Tier</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% &amp; Lower / County Med. Income:</td>
<td>19%</td>
</tr>
<tr>
<td>31-50%:</td>
<td>36%</td>
</tr>
<tr>
<td>51-80%:</td>
<td>45%</td>
</tr>
</tbody>
</table>

Length of term for SCDP funds: 120

In 1,000 characters or less describe the following:

- Project need and impact — including any unique needs

This proposal shows very high substandard building need and a high level of “eligible and interested) households in the primary and secondary targeted areas of the City of St. Peter.

Building Needs by Primary and Secondary T/A:
The two census tract block groups that make up the primary target area include a combined total of 868 total single family homes. 355 (41%) of these houses are considered “substandard.” The much smaller secondary target area includes 350 houses, of which 59 (175) are substandard. The combined target areas include 1,218 total houses and 414 (34%) substandard. So at a minimum there are 355 substandard homes in this area that we know are in need of substantial rehabilitation.
Financial Needs in T/As:

The combined survey results for the primary and secondary target areas reveal 429 total persons and 233 LMI persons. 233 divided by 429 equals **54.3% LMI persons.** We also know that there are at least 85 out of 182 households (46.7%) that are both eligible to participate and very much want to participate in the St. Peter Housing Rehab program. By serving 25 of these 85 households the city will realize a significant 29.4% impact on this large area of the community.

So the physical need is great in these neighborhoods and the LMI numbers are strong, and the goal of rehabbing 25 of these homes is very realistic.

- How target area is impacted by this and other activities (activities with or without SCDP funding)

The primary impact of this program on the target areas of St. Peter will be the rehabilitation of 25 homes occupied low-to-moderate income families. Each property will be brought up to the Housing Quality Standards, current Energy Efficiency Standards and current Building Code standards for existing residential structures. Funds borrowed through this program will place a lien on each participant property and some of those funds will eventually be returned to the city:

- **SCDP funds** will take the form of a 0% interest, 10-year deferred loan that is paid back to the city in the event that the home owner sells the home or it is no longer the owner's principal place of residence within 10-years of the date on the Repayment Agreement. These funds are to be forgiven over a 10-year period at the rate of ten percent per year for ten years. If the owner maintains residence there for the full ten-years the loan becomes a grant and it is entirely forgiven.

- **The city's leverage funds** will take the form of a 0% interest, 10-year installment loan repaid to the city monthly so this money automatically revolves with the impact being that the returned funds are immediately available to help future LMI families make similar improvements to their properties. This funds will be distributed at the rate of $1,000 per each $5,000 of total project costs, with the maximum amount of $4,000 based on a cost of at least $20,000.

This project will also have a net positive impact on tax assessments in these neighborhoods. As these necessary improvements are made to each property, it is most likely that the assessed value of each will be raised with the impact being higher property values and more property taxes paid back to the city.
• How activity is cost effective

The City of St. Peter has been conducting strategic housing planning in earnest in the past three years in order to maximize effectiveness of this proposed housing program. In 2016 the city contracted with Minnesota State University / Mankato / Urban and Regional Studies program to conduct a city-wide Housing Condition Survey. The effort analyzed building conditions for 2,229 properties broken down by 2010 Census Track Block Group. City staff and leaders were able to see that the areas of greatest physical need were census tract block groups 4803003 and 4804003 and parts of 4803002 and 4804002. After further study and discussion, in 2018 the boundaries for these groups became the boundaries for the eventual primary and secondary target areas proposed in this grant application. Later in 2018 city and MVAC staff conducted a mailed Homeowner Waiting List Survey and a professional Building Condition Survey to determine the degree of income-eligibility and desire of potential participants as well as the number of standard and substandard residential properties within the target areas.

In addition the strategic planning, the city has also been building financial reserves to help make a residential rehabilitation loan a cost-effective use of city and federal program funds. This effort has lead to a reserve amount of $100,000 that city leaders have chosen to commit as leverage to this program. The effect of this large amount of leverage from the city will be to reduce the average SCDP amount for this program from $25,000 to $21,000:

\[
\begin{align*}
\text{Estimated average project size} & \quad \text{City commitment per project} \\
25,000 & \quad 4,000 \\
(-) & \quad (=) \\
21,000 & \quad \text{Average SCDP per participant}
\end{align*}
\]

Clearly the large amount of leverage that the city is offering and the high level of planning that has been undertaken to date will both work to make this a very cost effective housing rehabilitation loan program in south central Minnesota.
Broad-Level Tiered Environmental Review
for Activity/Project that is
Categorically Excluded Subject to Section 58.5
Pursuant to 24 CFR Part 58.35(a)

Project Information

Project Name: St. Peter Housing Rehab Project

Responsible Entity (RE): Minnesota Valley Action Council (MVAC)

State/Local Identifier: CDAP-18-0072-0-FY19

RE Preparer: Byron Jost / MVAC

Certifying Officer: Mayor Charles Zieman

Grant Recipient (if different than Responsible Entity): City of St. Peter, Minnesota

Point of Contact: Russ Wille, Community Development Director

Consultant (if applicable): N/A

Project Location: City of St. Peter

Additional Location Information: TA: (below)

Direct Comments to: City of St. Peter

Description of the Proposed Project [24 CFR 50.12 & 58.32; 40 CFR 1508.25]:

This grant will provide funding for the rehabilitation of approximately 21 homes occupied by low-to-moderate income families in a targeted neighborhood in the downtown district of the city. Specifically, all that part of the city within these boundaries: North on south 7th Street from the intersection of S. 7th and W. Jefferson to West Broadway, then East on W. Broadway, then to North 5th Street, then north on N. 5th Street to W. Union Street, then East on W. Union Street to the Eastern boundary of the City, then South along that eastern boundary to the intersection with State Highway #22, then West on #22 to Minnesota Street (Highway 169), then North on Minnesota Street to West Jefferson Avenue, then West on West Jefferson Avenue to South 7th Street.
Approximate size of the project area: Approximately 88 city blocks

Length of time covered by this review: 36 months

Maximum number of dwelling units or lots addressed by this tiered review: 10-11 owner-occupied units

Level of Environmental Review Determination:
Categorically Excluded per 24 CFR 58.35(a), and subject to laws and authorities at §58.5:

Funding Information

<table>
<thead>
<tr>
<th>Grant Number</th>
<th>HUD Program</th>
<th>Program Name</th>
<th>Funding Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDAP-18-0072-0-FY19</td>
<td>Community Development Block Grant (CDBG)</td>
<td>Small Cities Development Program (SCDP)</td>
<td>Rehab: $525,500 R. Adm: 73,500</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>T. SCDP $598,500</td>
</tr>
</tbody>
</table>

Estimated Total HUD Funded Amount: $598,500

Estimated Total Project Cost (HUD and non-HUD funds) [24 CFR 58.32(d)] $683,500

Compliance with 24 CFR 50.4, 58.5, and 58.6 Laws and Authorities and Written Strategies

<table>
<thead>
<tr>
<th>Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR 50.4, 58.5, and 58.6</th>
<th>Was compliance achieved at the broad level of review?</th>
<th>If Yes: Describe compliance determinations made at the broad level.</th>
<th>If No: Describe the policy, standard, or process to be followed in the site-specific review.</th>
</tr>
</thead>
</table>

STATUTES, EXECUTIVE ORDERS, AND REGULATIONS LISTED AT 24 CFR 50.4 & 58.6
<table>
<thead>
<tr>
<th>Airport Hazards</th>
<th>Yes</th>
<th>No</th>
<th>The closest airport to this neighborhood is approximately 4.5 miles south (City of Mankato Municipal Airport) (A)</th>
</tr>
</thead>
<tbody>
<tr>
<td>24 CFR Part 51 Subpart D</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Coastal Barrier Resources</td>
<td>Yes</td>
<td>No</td>
<td>Minor rehab will not impact the Lake Superior Coastal Zone which is approximately 210 miles to the north of the City of St. Peter (B)</td>
</tr>
<tr>
<td>Coastal Barrier Resources Act, as amended by the Coastal Barrier Improvement Act of 1990 [16 USC 3501]</td>
<td></td>
<td></td>
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<tr>
<td>Flood Insurance</td>
<td>Yes</td>
<td>No</td>
<td>St. Peter does not participate in the National Flood Program (FEMA Community Status Book Report). A small portion of the St. Peter Target area is technically in the 100-year floodplain designated “AE” (In Flood Zone with surface elevations determined) however, and that area will be considered “outside of the target area” for the purposes of this program. (C)</td>
</tr>
<tr>
<td>Clean Air</td>
<td>Yes</td>
<td>No</td>
<td>Rehabilitation will be minor and not in an EPA designated Non-Attainment area for pollutants. (D)</td>
</tr>
<tr>
<td>Clean Air Act, as amended, particularly section 176(c) &amp; (d); 40 CFR Parts 6, 51, 93</td>
<td></td>
<td></td>
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<tr>
<td>Coastal Zone Management</td>
<td>Yes</td>
<td>No</td>
<td>Minor rehab in this southern MN town will not impact the Lake Superior Coastal Zone. (E)</td>
</tr>
<tr>
<td>Coastal Zone Management Act, sections 307(c) &amp; (d)</td>
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<td></td>
</tr>
<tr>
<td>Contamination and Toxic Substances</td>
<td>Yes</td>
<td>No</td>
<td>Individual rehab projects will be evaluated to see if they are located on or near a site that contains hazardous material that could affect the health and safety of occupants. EPA’s NEPAssist site shows several potential sites in the area. (F)</td>
</tr>
<tr>
<td>24 CFR Part 50.3(i) &amp; 58.5(i)(2)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Endangered Species</td>
<td>Yes</td>
<td>No</td>
<td>A review of USFWS site indicates that there are (1) Endangered (Rusty patched bumble bee) and (1) Threatened (Northern long eared bat) listed plant and animal species located within Nicollet County. St. Peter is located in the only township in Nicollet County that contains N. Long Eared Bat critical habit. Housing rehab activities will not normally impact any of these species, but in the event of LEB’s, the MN DNR will be</td>
</tr>
<tr>
<td>Risk Factor</td>
<td>Question</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>-------------------------------------------------</td>
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<tr>
<td>Explosive and Flammable Hazards</td>
<td></td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>24 CFR Part 51 Subpart C</td>
<td></td>
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<tr>
<td>Farmlands Protection</td>
<td></td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>1504(b) and 1541; 7 CFR Part 658</td>
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<tr>
<td>Floodplain Management</td>
<td></td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>Executive Order 11988, particularly section 2(a); 24 CFR Part 55</td>
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<tr>
<td>Historic Preservation</td>
<td></td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>National Historic Preservation Act of 1966, particularly sections 106 and 110; 36 CFR Part 800</td>
<td></td>
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<tr>
<td>Noise Abatement and Control</td>
<td></td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>Noise Control Act of 1972, as amended by the Quiet Communities Act of 1978; 24 CFR Part 51 Subpart B</td>
<td></td>
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<tr>
<td>Sole Source Aquifers</td>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Safe Drinking Water Act of 1974, as amended, particularly section 1424(e); 40 CFR Part 149</td>
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<td></td>
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</tr>
<tr>
<td>Wetlands Protection</td>
<td>Yes</td>
<td>No</td>
<td>A review of the National Wetlands Inventory maps for Minnesota shows a long strip of freshwater forested/shrub wetland contiguous to the eastern boundary of the project target area, but no projects will take place in that area. (N)</td>
</tr>
<tr>
<td>---------------------</td>
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<td>-----</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Executive Order 11990, particularly sections 2 and 5</td>
<td>☒</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Wild and Scenic Rivers</th>
<th>Yes</th>
<th>No</th>
<th>The St. Croix River north of the Twin Cities and the Mississippi River are the only federally listed Wild &amp; Scenic Rivers in MN. St. Peter is 123 miles from the closes point of the St. Croix River in St. Paul. (O)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wild and Scenic Rivers Act of 1968, particularly section 7(b) and (c)</td>
<td>☒</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>

| ENVIRONMENTAL JUSTICE | | | |
|-----------------------| | | |
| Environmental Justice | Yes  | No  | Minor rehab will improve living conditions for many low-income persons living in St. Peter. (P) EPAs EJSCREEN Reports |
| Executive Order 12898 | ☒    | ☐   |                                                                                  |

Attach supporting documentation as necessary, including a site-specific checklist.

**Determination:**

☐ Extraordinary circumstances exist and this project may result in significant environmental impact. This project requires preparation of an Environmental Assessment (EA); OR
☒ There are no extraordinary circumstances which would require completion of an EA, and this project may remain CEST.

Preparer Signature: __________________ Date: ________________

Name/Title/Organization: Byron Jost / MVAC / Environ. Preparer

Responsible Entity Agency Official Signature: __________________ Date: ________________

Name/Title: St. Peter Mayor, Charles Zieman

This original, signed document and related supporting material must be retained on file by the Responsible Entity in an Environmental Review Record (ERR) for the activity/project (ref: 24 CFR Part 58.38) and in accordance with recordkeeping requirements for the HUD program(s).
This document represents the Tier 1 or Broad-Level review *only*. As individual sites are selected, this review must be supplemented by individual Tier 2 or Site-Specific reviews for each site. All laws and authorities requiring site-specific analysis will be addressed in these individual reviews.
Certificate of Categorical Exclusion
Environmental Activities for SCDP Funded Projects

Project Name: St. Peter Housing Rehab Project
Name of Grantee: City of St. Peter
Activity Budget: $598,500
Grant Number: CDAP-18-0072-0-FY19

Choose one of the following:

1. I hereby certify that this activity has been reviewed and determined to be categorically excluded per 24 CFR 58.35(a)
   ____  1. Acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities and improvements (other than buildings) when the facilities and improvements are in place and will be retained in the same use without change in size or capacity of more than 20 percent (e.g., replacement of water or sewer lines, reconstruction of curbs and sidewalks, repaving of streets).
   ____  2. Special projects directed to the removal of material and architectural barriers that restrict the mobility and accessibility to elderly and handicapped persons.
   ___  3. Rehabilitation of buildings and improvements when the following apply:
      (i) For residential buildings with 1 to 4 units (either owner or rental), the unit density is not increased beyond 4 units, the land use is not changed and the footprint of the building is not increased in a floodplain or in a wetland;
      (ii) In the case of multifamily residential buildings (defined as 4+ units):
           (A) Unit density will not change more than 20 percent, and;
           (B) The estimated cost of rehabilitation will be less than 75% of the total estimated cost of replacement after rehabilitation.
      (iii) In the case of non-residential structures, including commercial, industrial and public buildings:
           (A) The facilities and improvements are in place and will not be changed in size or capacity by more than 20 percent; and
           (B) The activity does not involve a change in land use, such as from non-residential to residential, commercial to industrial, or from one industrial use to another.
   ____  4. An individual activity on a maximum of four dwelling units and where there is a maximum of four units on any one site. Example: The units can be four one-unit buildings or one four-unit building or any combination of; or
      (i) An individual activity on a project of five or more housing units developed on scattered sites when the sites are more than 2,000 feet apart and there are not more than four housing units on any one site.
   ____  5. Acquisition (including leasing), or equity loans on existing structures, or acquisition (including leasing) of vacant land provided that the structure or land acquired, financed, or disposed of will be retained for the same use.
6. Combinations of the above activities (indicate which).

2. I certify that the above mentioned project has been reviewed and determined to be a Categorically Excluded activity per 24 CFR 58.35(b):

   1. Tenant-based rental assistance;
   2. Supportive services including, but not limited to health care, housing services, permanent housing placement, day care, nutritional services, short term payments for rent/mortgage/utility costs, and assistance in gaining access to local, state, and federal government benefits and services;
   3. Operating costs including maintenance, security, operation, utilities, furnishings, equipment, supplies, staff training and recruitment, and other incidental costs;
   4. Economic development activities, including but not limited to, equipment purchase, inventory financing, interest subsidy, operating expenses and similar costs not associated with construction or expansion of existing operations;
   5. Activities to assist homebuyers to purchase existing dwelling units or dwelling units under construction and/or constructed, including closing costs and down payment assistance, interest buy downs, and similar activities that result in the transfer of title;
   6. Affordable housing pre-development costs including legal, consulting, developer and other costs related to obtaining site options, project financing, administrative costs and fees for loan commitments, zoning approvals, and other related activities which do not have a physical impact;
   7. Approval of supplemental assistance (including insurance or guarantee) to a project previously approved under this part, if the approval is made by the same responsible entity that conducted the environmental review on the original project and re-evaluation of the environmental findings is not required under Sec. 58.47.

If your project falls into any of the above categories listed in 1. or 2. above, you have to submit a Request for Release of Funds (RROF). Submit this document, the RROF and the other forms required to DEED and wait the required 15 or 18 day (15 days for published, 18 days for posted) objection period. Additional information on required forms are listed on the Instructions for Environmental Review (attachments A2 and A3).

By signing below the Responsible Entity certifies that this project is Categorically Excluded and meets the conditions specified for such determination per 24 CFR 58.35(b).

You must keep a copy of this determination in your project files.

Charles Zieman, Mayor

Responsible Entity Certifying Official Name and Title (please print)

Responsible Entity Certifying Official Signature       Date
All Interested Parties,

The City of St. Peter, Minnesota, in Nicollet County has recently been awarded a grant from the U.S. Department of Housing and Urban Development / State of Minnesota Department of Employment & Economic Development / Small Cities Development Program to help low-to-moderate income homeowners rehabilitate their homes.

This program will consist of minor rehabilitation of 21 homes in an 80-block area in the central part of the city (see map in Notice of Intent to Request Release of funds).

Housing unit density will not be increased, and land uses will not be changed. Properties that are in the regulatory floodplain that are not protected by the municipal dike will not be eligible for assistance, and no wetlands will be impacted.

As part of a tiered environmental review process the State Historic Preservation Office will be contacted with detailed information on each individual project and asked to comment before each project is started. In addition, individual rehab projects will be evaluated to see if they are located on or near a site that contains hazardous material that could affect the health and safety of occupants. They will also be evaluated for toxic hazards and remediated if necessary.

You are being contacted because your name or agency appears on a list of interested parties distributed by the MN DEED Small Cities Development program for this purpose. If you have any comments or concerns related to this proposal, please contact the program Environmental Coordinator, Judd Schultz at:

Judd Schultz
Minnesota Valley Action Council
706 N. Victory Drive
Mankato, MN 56001-6803
507-345-6822 / 2401
jschultz@mnvac.org

Encl: Notice of Intent to Request Release of Funds
Notice of Intent to Request Release of Funds  
Small Cities Development Program  
State of Minnesota

Date of Publication: August 8, 2019

Name, Address of Grantee  
City of St. Peter  
237 So. Front St.  
St. Peter, MN 56082-2513

Preparing Agency contact information  
Minnesota Valley Action Council  
706 N. Victory Drive  
Mankato, MN 56001-6803  
507-345-6822

TO ALL INTERESTED AGENCIES, GROUPS AND PERSONS:  
On or about September 11, 2019 the City of St. Peter, Minnesota will request the Business and Community Development Division (BCD), Small Cities Development Program, Minnesota Department of Employment and Economic Development (DEED) to release federal funds under Title 1 of the Housing and Community Development Act of 1974, as amended (P.S. 98-181) for the following project:

Project Title: St. Peter Comprehensive Project

Purpose and Nature of the Project: The grant will provide funding for the rehabilitation of approximately 21 homes occupied by low-to-moderate income families in a targeted within this boundary (see map):

North on south 7th Street from the intersection of S. 7th and W. Jefferson to West Broadway, then East on W. Broadway, then to North 5th Street, then north on N. 5th Street to W. Union Street, then East on W. Union Street to the Eastern boundary of the City, then South along that eastern boundary to the intersection with State Highway #22, then West on #22 to Minnesota Street (Highway 169), then North on Minnesota Street to West Jefferson Avenue, then West on West Jefferson Avenue to South 7th Street.

This rehabilitation project will address lead-based paint hazards, building code violations, energy efficiency, health and safety issues and structural repairs including new windows and doors, siding and foundation repairs. The grant includes these components and costs:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCDP Owner-occupied housing rehab &amp; admin</td>
<td>$598,500</td>
</tr>
<tr>
<td>Other funds</td>
<td>$85,000</td>
</tr>
<tr>
<td>Total project cost</td>
<td>$683,500</td>
</tr>
</tbody>
</table>

The proposed housing rehabilitation activities are categorically excluded under HUD regulations at 24 CFR Part 58 from National Environmental Policy Act Requirements because:
The activity consists of single-family housing rehabilitation. The unity density will not be increased beyond 4-units and the land use will not change. The rehabilitation will not be conducted within a 100-year floodplain.

An Environmental Review Record (EER) that documents the environmental review of the project has been compiled by the City of St. Peter. The EER is on file at the address above and is available for public examination and copying upon request, weekdays between the hours of 8:00 am and 4:00 pm.

In accordance with 24 CFR Part 58.15, a tiered review process has been structured for the housing rehabilitation, whereby some environmental laws and authorities have been reviewed for the target area and other applicable laws and authorities will be addressed when participating properties have been identified and projects are ready for review. Specifically the target area has been studied and compliance of the following laws and authorities has been established: wetland protection, sole source aquifers, endangered species, wild and scenic rivers, coastal zone management, air quality, farmlands protection, airport runway clear zone requirements, environmental and floodplain management. In addition, pursuant to the National Historic Preservation Act, comments on the identification and treatment of historic properties in the project area are welcome.

Compliance with the following laws and authorities will take place once properties within the target area have been identified, but prior to commitment of funds: historic properties, floodplain management / Flood Disaster Protection Act requirements and HUD environmental standards for hazards. Compliance documentation on the aforementioned laws and authorities will be in each individual property file, and copies will be available once established, at the Minnesota Valley Action Council, 706 N. Victory Drive, Mankato, Minnesota, 56001-6803.

Rehabilitation is minor and will not affect the areas of: wetlands, noise, air quality, thermal/explosive hazards, airport clear zones, landfill hazard/toxic site and hazards, water quality, solid waste, farmland protection, wild and scenic rivers or coastal zone management. Environmental Justice will not be negatively affected as the housing activity will improve conditions for low and moderate-income persons and households.

Rehabilitation of historic properties will be done in accordance with the Secretary of the Interior’s Standards for Rehabilitation in consultation with the Minnesota State Historic Preservation Office (SHPO)

The US Fish and Wildlife Services has indicated that Nicollet County does have a single endangered species, the Northern Long Eared Bat, and that the City of St. Peter and its Township are shown as an area where these have been sited or where hibernacula or roosting sites exist.

Public Comments on Request for Release of Funds

Any individual, group or agency may submit written comments on the ERR to: Minnesota Valley Action Council, 706 North Victory Drive, Mankato, Minnesota 56001-6803. All comments received by September 10, 2019 will be considered by the City of St. Peter prior to submission of the Request for Release of Funds.
The City of St. Peter will undertake the project described above with Block Grant funds from DEED under Title 1 of the Housing and Community Development Act of 1974. The City of St. Peter is certifying to DEED that the City of St. Peter and Tom Eisert, in his capacity as Mayor consents to accept the jurisdiction of the Federal Courts if an action is brought to enforce responsibilities in relation to environmental reviews, decision making and action; and that these responsibilities have been satisfied. The legal effect of the certification is that with approval of the City of St. Peter may use the Block Grant funds, and DEED and HUD will have satisfied their responsibilities under the National Environmental Policy Act of 1969.
Objection to the Release of Funds

DEED Business and Community Development (BCD) will accept objections to its approval of the release of funds and acceptance of the certification for a period of (fifteen if published or eighteen if posted) days following the anticipated submission date or its actual receipt of the request (whichever is later) only for one of the following reasons: (a) that the certification was not in fact executed by the Chief Executive Officer or other officer of the grantee approved by BCD; (b) that the grantee’s ERR for the project indicates omission of a required decision, finding, or step applicable to the project in the environmental review process; (c) the grant recipient has incurred costs not authorized at 24CFR Part 58.22 before approval of a release of funds by BCD; or (d) another federal agency acting pursuant to 24 CFR Part 1504 has submitted a written finding that the project is unsatisfactory from the standpoint of environmental quality.

Objections must be prepared and submitted in accordance the required procedures (24 CFR Part 58), and may be addressed to Director, Small Cities Development Program, MN Dept. of Employment and Economic Development, Business and Community Development Division, 1st National Bank Building, 332 Minnesota Street, Suite E200, St. Paul, MN 55101-1351. Potential objectors should contact DEED at 651-259-7449 to verify the actual last day of the objection period.

Grantee’s Environmental Certifying Officer,

Mayor Charles Zieman
City of St. Peter
227 So. Front St.
St. Peter, MN 56082-2513
Memorandum

TO: Todd Prafke  
City Administrator  

FROM: Russ Wille  
Community Development Director  

RE: El Agave – Sale of former Highway 22 right-of-way

ACTION/RECOMMENDATION

None needed. For Council review and discussion only.

BACKGROUND

As we have addressed the future site plan for the Caribou Coffee drive thru at the former Shell station, we have been working with the owner of El Agave (Mr. Noe Juarez) to determine what would remain for a curb cut at his southern access.

The access is currently "shared" with the former Shell station property. The access control committee at the Minnesota Department of Transportation, District 7 has decided that the new coffee shop will have no direct vehicular access or egress from the Minnesota Avenue right-of-way. This is an option of MnDOT given that the use of the property is changing from convenience/gas to food/beverage service.

It appears that we have adequately addressed the southern drive matter and have negotiated a few site improvements on the El Agave property which should enhance the appearance of the corridor. The new coffee shop site will be significantly improved as they will need to meet the standards of the Gateway Overlay district, once again, due to the change in use.

One other matter that the Council will be asked to address is the turn back right-of-way (r-o-w) that the City of Saint Peter acquired when Highway #22 was relocated out of the Old Minnesota right-of-way (see map).

The "abandoned" right-of-way appears to extend up to the front door/wall of the El Agave restaurant. The photo, which is not survey accurate, would suggest that El Agave has a front yard setback of nearly 0 feet. The (C-4) Highway Service Commercial development regulations would require a front yard setback of at least 20 feet. As such, the property is deemed to be non-conforming.

It is being suggested by City Staff that the City Council authorize staff to begin a process to transfer the former road right-of-way in front of the El Agave building to Mr. Juarez so that he can combine it with his current parcel. Such action would establish the minimum setback and eliminate the non-conforming status of the El Agave property.
This is an issue that started with a review of the neighboring property's site plan, setbacks and ownership. As we discovered and better understood the land issues, it seems reasonable to "clean up" the outstanding issues through the use of property that is not of value to the City now or into the foreseeable future. Again, this land was turned back to the City from MnDOT as part of work that occurred a number of years ago. We would only undertake this transfer upon agreement by the property owner that the suggested enhancements would occur. Those enhancements and costs related to the transfer of property would be funded by the new owner.

If the property is to be transferred to El Agave, it is strongly suggested that the City maintain an access easement on the north end to ensure that vehicular traffic can still circulate between the Dairy Queen, Nelson Printing and El Agave within the former right-of-way.

Please feel free to contact me should you have any questions or concerns on this agenda item.

RJW
Disclaimer:
This drawing is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compilation of records, information, and data located in various city, county, and state offices, and other sources affecting the area shown, and is to be used for reference purposes only. The City of Saint Peter is not responsible for any inaccuracies herein contained.