

REQUEST FOR COUNCIL ACTION

Date: 06-08-09

Item No: 11.a

Staff Approval:



Manager Approval:



Item Description:	Public Hearing to Consider a Resolution for the Imposition and Collection of Fees in the Housing Improvement Area for Westwood Village I (HF0052)
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1.0 Background

- 1.1 The fee resolution that was passed on January 23rd, 2009 allowed for pay off of the assessments anytime after issuances of the bonds. Staff worked with the WWVI association to review what the potential risk was for the Association to guarantee any shortfalls from the early pay off, especially if WWVI maintained a debt service reserve to cover any shorts. Staff and Springsted did review the risk and felt that it was minimal. But because of market unknowns of how many pay offs could happen over a period of time after the issuance of bonds the WWVI Board has requested that the City of Roseville modify the fee resolution to not allow for any payoffs of the assessment after the bonds are issued.
- 1.2 Staff has sent notice out to all property owners allowing for early pay off or a portion until July 23rd if the new fee resolution is passed on June 8th at the City Council Meeting (see attachment A). In addition Staff has also sent out letters to residents that have partially and in full prepaid their assessments allowing for them to either get a full refund with interest or just the interest that has been earned for the money sitting in an interest bearing account with the City because of the delay (see attachment B).
- 1.3 Previous assessment amounts that were adopted on January 23rd, 2009 stayed the same for all property owners.

2.0 Requested Action

Staff is requesting to open the public hearing to consider the adoption of a resolution establishing the imposition and collection of fees in the Housing Improvement Area (HIA) for Westwood Village I.

3.0 Suggested Council Action:

- 2.1 **Open Public Hearing and Take public comment** – mailed notice was sent to all of the owners of record within the proposed boundary of the HIA for Westwood Village I. In addition, a public notice was published in the paper.

45 2.2 Close public hearing.

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47 Prepared by: Jeanne A. Kelsey, Housing Program Coordinator (651-792-7086)

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49 Attachment A – Assessment Notice Allowing for Pre or Partial Payment

50 Attachment B – Assessment Notice for Residents that had Partial or Fully Paid

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May 28, 2009

Westwood Village I Property Owner
XXXX MACKUBIN ST
ROSEVILLE MN 55113-2338

Dear Property Owner:

Notice is hereby given that the Roseville City Council will meet at 6:00 PM on Monday, June 8, 2009 in the Council Chambers at 2660 Civic Center Drive, Roseville, to consider a resolution imposing housing improvement fees to be collected for improvements and repairs to the housing units within the Westwood Village I Association of Roseville, MN Housing Improvement Area pursuant to Minn. Stat. §428A.11 through 428A.21.

The properties proposed to be subject to the housing improvement fees are located within the Westwood Village I Housing Improvement Area and are legally described as:

Lots 1through 3, Block 1, Lots 1 through 8, Block 2, Lots 1 through 7 Block 3, Lots 1 through 4, Block 4, Lots 1 through 6, Block 5, Lots 1 through 5, Block 6, Lots 1 through 8, Block 7, Lots 1 through 6, Block 8 all in Westwood Village Townhouses Plat 1

NOTE: The proposed housing improvement fee resolution would revise and supersede the resolution adopted by the City Council on January 26, 2009. Details on the revised resolution are described below.

1. Persons to be heard: All interested persons will be given an opportunity to be heard at the hearing regarding the revised housing improvement fee.

2. Estimated Cost of housing improvements to paid in whole or in part by housing improvement fee: \$1,595,336.25 including 20% construction contingency.

3. Amount to be charged against each housing unit: Housing improvement fees will be allocated to each unit based on the Westwood Village I Townhomes Association Second Amended Declaration for Common Interest Community No. 727 dated April 25, 2008. The fee to be imposed on your property is as follows:

Total fee: \$ 34950.53

Annual payment if not prepaid: \$ 2330.04

4. Owner's right to prepay: Housing unit owners may prepay all or a portion of the total fee, without interest, until 45 days after the date of approval of the revised fee resolution. Assuming the Council approves the resolution on June 8, 2009, the prepayment period will end on July 23, 2009. If only a portion is prepaid, the prepayment amount must be at least 25% of the total fee for that unit. *After the prepayment period, the fee may not be prepaid.* In the case of partial prepayment, the unpaid

balance will be imposed as an annual fee as described in paragraph 5, below.

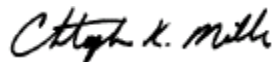
Our records indicate that you did not prepay the fee that was originally imposed under January 26, 2009 resolution. You will now have an additional 45 days after approval of the revised resolution to prepay the fee, as described above.

5. Number of years the fee will be in effect: If owners do not prepay the total fee, the annual fee will be imposed in equal installments over a 15-year period, with interest at the annual rate of 7.75%. The annual fee is payable at the same time as property taxes, with the first installment due in 2010.

6. Compliance with Petition Requirement: Owners of more than 25 percent of the housing units that would be subject to the proposed fee in the Housing Improvement Area have filed a petition with the City Clerk requesting a public hearing on the proposed fee, in accordance with Minnesota Statutes, Section 428A.12. If the owners of 35% or more of the housing units subject to the housing improvement fee file written objections with the City Manager within 45 days after the adoption of the resolution imposing the fee, the resolution will be null and void, and any amount prepaid during that period will be refunded.

If you would like a detailed explanation as to how the housing improvement fee for your property was calculated you can contact me by email at: chris.miller@ci.roseville.mn.us, or by phone at: 651-792-7031.

Sincerely,

A handwritten signature in black ink that reads "Christopher K. Miller". The signature is written in a cursive, flowing style.

Chris Miller
Finance Director

May 28, 2009

Westwood Village I Property Owner
XXXX MACKUBIN ST
ROSEVILLE MN 55113-2341

Dear Property Owner:

Notice is hereby given that the Roseville City Council will meet at 6:00 PM on Monday, June 8, 2009 in the Council Chambers at 2660 Civic Center Drive, Roseville, to consider a resolution imposing housing improvement fees to be collected for improvements and repairs to the housing units within the Westwood Village I Association of Roseville, MN Housing Improvement Area pursuant to Minn. Stat. §428A.11 through 428A.21.

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NOTE: The proposed housing improvement fee resolution would revise and supersede the resolution adopted by the City Council on January 26, 2009. Details on the revised resolution are described below.

1. Persons to be heard: All interested persons will be given an opportunity to be heard at the hearing regarding the revised housing improvement fee.

2. Estimated Cost of housing improvements to paid in whole or in part by housing improvement fee: \$1,595,336.25 including 20% construction contingency.

3. Amount to be charged against each housing unit: Housing improvement fees will be allocated to each unit based on the Westwood Village I Townhomes Association Second Amended Declaration for Common Interest Community No. 727 dated April 25, 2008. The fee to be imposed on your property is as follows:

Total fee: \$ 34950.53

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4. Owner's right to prepay: Housing unit owners may prepay all or a portion of the total fee, without interest, until 45 days after the date of approval of the revised fee resolution. Assuming the Council approves the resolution on June 8, 2009, the prepayment period will end on July 23, 2009. If only a portion is prepaid, the prepayment amount must be at least 25% of the total fee for that unit. *After the prepayment period, the fee may not be prepaid.* In the case of partial prepayment, the unpaid

balance will be imposed as an annual fee as described in paragraph 5, below.

Our records indicate that you prepaid the \$ 34950.53 fee imposed on your property under the January 26, 2009 resolution. Within 45 days after approval of the revised fee resolution (i.e., by July 23, 2009), you must file a written notice with the City Clerk that selects one of the following two options:

Option A. You want to ratify the decision to prepay the fee, in which event the City will retain your prior prepayment and treat such amount as a prepayment under the revised resolution. If you select this option, the City will refund to you interest on the amount of your prepayment at the rate of 4.5% accrued from the date of prepayment through June 8, 2009. That refund will be paid promptly after the effective date of the fee resolution (soon after July 23, 2009).

Option B. You want to withdraw your prior prepayment, in which event the City will return to you the amount of your prepayment together with interest on such amount at the rate of 4.5% accrued from the date of prepayment through June 8, 2009. That refund will be paid promptly after the effective date of the resolution (i.e., soon after July 23, 2009).

If, by July 23, 2009, you do not file a notice selecting either Option A or Option B, the City will treat your prior prepayment as being ratified, and the City will retain your prepayment amount. In that event, the City will not refund any interest to you.

5. Number of years the fee will be in effect: If owners do not prepay the total fee, the annual fee will be imposed in equal installments over a 15-year period, with interest at the annual rate of 7.75%. The annual fee is payable at the same time as property taxes, with the first installment due in 2010.

6. Compliance with Petition Requirement: Owners of more than 25 percent of the housing units that would be subject to the proposed fee in the Housing Improvement Area have filed a petition with the City Clerk requesting a public hearing on the proposed fee, in accordance with Minnesota Statutes, Section 428A.12. If the owners of 35% or more of the housing units subject to the housing improvement fee file written objections with the City Manager within 45 days after the adoption of the resolution imposing the fee, the resolution will be null and void, and any amount prepaid during that period will be refunded.

If you would like a detailed explanation as to how the housing improvement fee for your property was calculated you can contact me by email at: chris.miller@ci.roseville.mn.us, or by phone at: 651-792-7031.

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher K. Miller".

Chris Miller

Finance Director

Attachment B