

**ST. LOUIS COUNTY
HOUSING AND REDEVELOPMENT AUTHORITY**

AGENDA

August 11, 2009

9:35 a.m.

**Mt. Iron Community Center
8586 Enterprise Drive, Mt. Iron, MN**

1. Approve minutes of July 14, 2009 meeting
2. HRA 2010 Budget and Property Tax Levy *(09-10)*

ST. LOUIS COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

Tuesday, July 14, 2009

The St. Louis County Housing and Redevelopment Authority (HRA) meeting was called to order at 10:20 a.m. in the County Boardroom, 2nd Floor, Courthouse, Duluth, MN, by Chair Raukar with the following members present: Commissioner Dennis Fink, Commissioner Steve O'Neil, Commissioner Chris Dahlberg, Commissioner Mike Forsman, Commissioner Peg Sweeney and Commissioner Steve Raukar, Chair - 6. Absent: Commissioner Nelson - 1.

Commissioner O'Neil, supported by Commissioner Forsman, moved to approve the minutes from the March 17, 2009 HRA meeting; six yeas, zero nays.

At 10:21 a.m., Commissioner Fink left the HRA meeting.

Commissioner Forsman, supported by Commissioner O'Neil, moved to authorize an additional \$115,000 for a total of \$150,000 in funding to the Minnesota Assistance Council for Veterans (MACV) for development of permanent supportive and transitional housing to be located at 5209 Ramsey Street in Duluth. The following persons addressed the issue:

Kevin Gray, HRA Executive Director, recommended approval of funding for the MACV housing project.

Barbara Hayden, Planning Director, explained funding was available through the HRA for homeless initiatives, adding the additional dollars will get the project moving.

Durbin Keeney, Duluth, MACV Regional Director, described the project in detail and said housing provided will give deserving Veterans an opportunity to rebuild their lives.

After further discussion, the resolution was approved; five yeas, zero nays, with Commissioner Fink temporarily away from the meeting.

HRA RESOLUTION NO. 146

WHEREAS, the Minnesota Assistance Council for Veterans was allocated \$35,000 (Resolution No. 08-138) funding from the St. Louis County HRA for permanent supportive and transitional housing for homeless veterans; and

WHEREAS, the Minnesota Assistance Council for Veterans has requested an additional \$115,000 in funding from the St. Louis County HRA for the same project; and

WHEREAS, the St. Louis County HRA has the authority to fund projects providing decent safe and affordable housing for persons of low and moderate income; and

WHEREAS, the St. Louis County HRA has funding available for such projects.

NOW, THEREFORE, BE IT RESOLVED, the HRA authorizes the Executive Director's

designee, County Planning and Development Director, and County Attorney to negotiate a \$150,000 funding agreement with the Minnesota Assistance Council for Veterans; and

RESOLVED FURTHER, that contingent upon approval from the city of Duluth and the Duluth Housing and Redevelopment Authority, the appropriate HRA officials, or their designee, and a representative of the County Attorney, are authorized to execute the funding agreement on behalf of the St. Louis County HRA, along with all the necessary documents related thereto; and

RESOLVED FURTHER, that funds will be paid from HRA Fund 250, Agency 251001.

Yeas: Commissioners O'Neil, Dahlberg, Forsman, Sweeney and Chair Raukar - 5

Nays: None

Absent: Commissioners Fink and Nelson - 2

At 10:35 a.m., Commissioner Fink rejoined the HRA meeting.

Commissioner Sweeney, supported by Commissioner O'Neil, moved to authorize \$150,000 in funding to the Arrowhead Economic Opportunity Agency (AEOA) for development of permanent supportive housing for disadvantaged youth. The following persons addressed the issue:

Barbara Hayden, Planning Director, described the AEOA project which is designed to serve homeless youth. In response to a question from Commissioner Fink, Director Hayden said the funding was a "secured" grant which would be reimbursed to HRA in the event AEOA decides to use the facility for another purpose.

Harlan Tardy, Virginia AEOA Director, distributed updated cost estimates and said issues with Virginia and the community have been resolved. Director Tardy said there will be stringent requirements for residents who must work and pay rent to live at the facility.

Dana Hiltunen, AEOA Housing Services, said AEOA works with families if permissible to find solutions to homeless problems. Ms. Hiltunen predicted more housing will be needed in the future.

Kim Crawford, Executive Director of Life House Duluth, urged the HRA Board to support the project and assist youth with problems.

Michelle Simmonds, Life House Duluth, described the intake process for Life House and the general plight of homeless youth.

Lengthy discussion ensued. Commissioner Dahlberg said he would not support the project because of a lack of private funding and the broad definitions that will be applied to each case. Commissioner Forsman expressed his displeasure with the project for a variety of reasons. After further discussion, Commissioner Forsman, supported by Commissioner Dahlberg, moved to table the matter but the motion failed; two yeas, four nays, Commissioners Fink, O'Neil, Sweeney and Chair Raukar. The original motion to authorize the grant was then approved; four yeas, two nays, Commissioners Dahlberg and Forsman.

HRA RESOLUTION 147

WHEREAS, the Arrowhead Economic Opportunity Agency, Inc. has requested \$150,000 in capital funding from the St. Louis County HRA for the Youth Foyer Project, a 15-unit permanent supportive housing project for homeless youth; and

WHEREAS, the St. Louis County HRA has the authority to fund projects providing decent safe and affordable housing for persons of low and moderate income; and

WHEREAS, the St. Louis County HRA has funding available for such projects.

NOW, THEREFORE, BE IT RESOLVED, the HRA authorizes the Executive Director's designee, County Planning and Development Director, and County Attorney to negotiate a \$150,000 funding agreement with the Arrowhead Economic Opportunity Agency, Inc.; and

RESOLVED FURTHER, that contingent upon approval from the city of Virginia and the Virginia Housing and Redevelopment Authority, the appropriate HRA officials, or their designee, and a representative of the County Attorney, are authorized to execute the funding agreement on behalf of the St. Louis County HRA, along with all the necessary documents related thereto; and

RESOLVED FURTHER, that funds will be paid from HRA Fund 250, Agency 251001.

Yeas: Commissioners Fink, O'Neil, Sweeney and Chair Raukar - 4
Nays: Commissioners Dahlberg and Forsman - 2
Absent: Commissioner Nelson - 1

Commissioner Forsman, supported by Commissioner Dahlberg, moved to authorize the Executive Director to terminate all administrative agreements prior to January 6, 2009, and to execute an agreement with St. Louis County transferring all staff responsibilities from the HRA to the St. Louis County Planning and Development Department by January 1, 2010. Executive Director Gray said HRA currently has only one staff person and it is inefficient to have separate payroll, benefits and hiring processes. The County will be reimbursed for all direct costs of administering HRA activities; six yeas, zero nays.

HRA RESOLUTION NO. 148

WHEREAS, the St. Louis County HRA and St. Louis County have negotiated an agreement transferring all staff responsibilities from the St. Louis County HRA to the St. Louis County Planning and Development Department.

NOW, THEREFORE, BE IT RESOLVED, the HRA Board hereby authorizes the Executive Director to execute a contract with St. Louis County to transfer all staff responsibilities from the St. Louis County HRA to the St. Louis County Planning and Development Department by

January 1, 2010; and

BE IT FURTHER RESOLVED, that the HRA Board terminates all administrative agreements prior to January 6, 2009; and

BE IT FURTHER RESOLVED, that St. Louis County will be reimbursed for all direct costs of administering St. Louis County HRA activities; and

BE IT FURTHER RESOLVED, that St. Louis County will comply with the HRA adopted budget and provide an annual report which reflects charges to the HRA.

Yeas: Commissioners Fink, O'Neil, Dahlberg, Forsman, Sweeney and Chair Raukar - 6

Nays: None

Absent: Commissioner Nelson - 1

At 12:00 noon, Commissioner Forsman, supported by Commissioner Sweeney, moved to adjourn the HRA meeting; six yeas, zero nays.

Steve Raukar, Chair of the St. Louis County HRA

Paul L. Tynjala, Deputy Auditor/Clerk of County Board

HRA BOARD LETTER NO. 09-10

DATE: August 11, 2009

RE: HRA 2010 Budget and Property
Tax Levy

FROM: Kevin Z. Gray
County Administrator/HRA Executive Director

Barbara Hayden
Planning and Development Director

GOAL:

Expanding affordable housing opportunities, maximizing financial resources, and promoting strategies that result in an expanded tax base.

ACTION REQUESTED:

The St. Louis County Housing and Redevelopment Authority (HRA) Board is requested to adopt the 2010 budget and to certify the maximum proposed property tax levy for 2010.

BACKGROUND:

Minn. Stat. § 275.065 requires all special taxing districts to certify a proposed property tax levy to the county auditor on or before September 15, 2009. The HRA has exercised the authority to levy since 1990. The HRA tax levy for 2010 is proposed at a 1.3 percent increase over 2009, \$202,195. The maximum levy amount for the St. Louis County HRA is approximately \$1 million. Ten cities which have their own HRA are excluded from this levy.

The proposed 2010 HRA budget is \$352,195. The current undesignated fund balance for the HRA is approximately \$685,000. The HRA loan receivables are \$125,000.

The 2010 HRA goals and objectives include expanding affordable housing opportunities, maximizing financial resources, and promoting strategies that result in an expanded tax base. The HRA area of operation and the proposed 2010 HRA budget are attached.

RECOMMENDATION:

It is recommended the HRA Board of Commissioners adopt the attached resolution approving the 2010 budget and certifying the property tax levy for 2010 in the amount of \$202,195. It is further recommended that the St. Louis County Board of Commissioners be requested to certify the 2010 HRA levy in the amount of \$202,195.

Enclosures

cc: Steve Nelson, HRA Housing Program Manager
Barbara Russ, Assistant St. Louis County Attorney
Jill Berg, St. Louis County Auditor's Office-Virginia

RESOLUTION NO. _____

BY COMMISSIONER _____

WHEREAS, the St. Louis County Housing and Redevelopment Authority (“HRA”) has reviewed the proposed 2010 budget and proposed 2010 levy.

NOW, THEREFORE, BE IT RESOLVED, the HRA Board does hereby approve the HRA 2010 budget in the amount of \$352,195; and

RESOLVED FURTHER, the HRA Board certifies the 2010 levy for the HRA in the amount of \$202,195 and recommends that the St. Louis County Board of Commissioners certify the levy at this amount.

**HRA
FUND 250 BUDGET**

Code	Description	2007	2008	2009	2010	2011
251000	HRA Administration	Budget	Budget	Budget	Budget	Forecast
	Personnel Services	93,207.23	76,527.00	78,822.00	110,000.00	110,000.00
	Operating	88,250.00	49,550.00	59,600.00	52,195.00	54,824.00
	Intra-County Expenses		40,000.00	40,000.00	40,000.00	40,000.00
	Other Charges-Hsg Activities	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00
	Total	331,457.23	316,077.00	328,422.00	352,195.00	354,824.00

HOME ADMINISTRATION

Code	Description	2007	2008	2009	2010	2011
		Budget	Budget	Budget	Budget	Forecast
250001	Home Administration					
	Personnel Services	59,794.00	79,517.00	83,268.00		
	Reimbursement	59,794.00	79,517.00	83,268.00		
	Operating	0				
	Total		0.00	0.00	0.00	0.00

HRA REVENUES

Code	Description	2007	2008	2009	2010	2011
251001	HRA Revenue		Budget	Budget	Budget	Forecast
	Certified levy	187,011.00	192,150.00	199,600.00	202,195.00	204,824.00

HOUSING AND REDEVELOPMENT AUTHORITY

Kevin Z. Gray , Executive Director

MISSION

The St. Louis County Housing and Redevelopment Authority mission is to provide strategic development resources that augment county housing, community development and economic development activities.

HRA ACTIVITIES

The HRA supports activities of the St. Louis County Planning Department Community Development Division. The Community Development Division and the HRA facilitate county initiatives involving affordable housing, community development and economic development.

GOAL

Expand and diversify the county's economic base and improve the housing stock

2010 Performance Measurements

OBJECTIVES	OUTCOME
Expand Affordable Housing Opportunities	Use 2010 federal and HRA funds to expand single family homeowner programs, initiate development of multifamily rental programs, and support local affordable housing development projects
Maximize Financial Resources	Work with communities to secure state and federal resources for housing and economic development projects
Promote Strategies That Result in an Expanded Tax Base	Work with communities and county departments to develop programs that result in a re-use of blighted and tax-forfeit properties for affordable housing development

**St. Louis County HRA
2010 Personnel**

Vacant Positions – Not Included in Budget*

FD	Dept	Position	Count
250	301	Community Development & Housing Mgr. (Vacant)	1
250	300	Housing Program Manager (Vacant)	1
250	300/301	Housing Program Assistant (Vacant)	1
TOTAL			3

*** HRA Contracts with St. Louis County for Personnel Services**

OTHER HOUSING AND REDEVELOPMENT AUTHORITIES IN ST. LOUIS COUNTY

The following communities have an established HRA. These communities are not included in the St. Louis County HRA levy or service area.

1. Duluth
2. Hibbing
3. Virginia
4. Cook
5. Gilbert
6. Eveleth
7. Ely
8. Chisholm
9. Mt. Iron
10. Aurora

ST. LOUIS COUNTY LEVY HISTORY

HRA established in October 1988

Levy:	1990	\$ 10,000
	1991	\$ 113,000
	1992	\$ 116,390
	1993	\$ 186,000
	1994	\$ 175,000
	1995	\$ 175,000
	1996	\$ 170,526
	1997	\$ 165,798
	1998	\$ 162,366
	1999	\$ 162,366
	2000	\$ 162,366
	2001	\$ 162,366
	2002	\$ 178,000
	2003	\$ 178,000
	2004	\$ 178,000
	2005	\$ 178,000
	2006	\$ 182,450
	2007	\$ 187,011
	2008	\$ 192,500
	2009	\$ 199,600