

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

AGENDA

**January 6, 2015
9:35 a.m.**

1. Approve minutes of September 2, 2014 meeting
2. Annual meeting/appointment of officers for 2015 **(15-01)**
3. Establish official newspaper of the HRA for 2015 **(15-02)**
4. Minnesota Housing Finance Agency Minnesota City Participation Program Application **(15-03)**

**ST. LOUIS COUNTY HOUSING AND REDEVELOPMENT AUTHORITY (HRA)
PROCEEDINGS**

Tuesday, September 2, 2014

The St. Louis County Housing and Redevelopment Authority (HRA) meeting was called to order at 11:10 a.m., by Chair Steve Raukar in the County Boardroom, 2nd Floor, Courthouse, Duluth, MN, with the following members present: Commissioners Frank Jewell, Patrick Boyle, Chris Dahlberg, Mike Forsman, Pete Stauber, Keith Nelson, and Chair Steve Raukar - 7. Absent: None – 0.

Commissioner Nelson, supported by Commissioner Forsman, moved to approve the minutes from the August 5, 2014, HRA meeting; seven yeas, zero nays.

Chair Raukar, supported by Commissioner Nelson, moved to approve the HRA 2015 budget in the amount of \$358,940 with \$208,940 funded from the levy and \$150,000 funded from HRA existing fund balance; and further, the HRA Board certifies the 2015 levy for the HRA in the amount of \$208,940 and recommends that the St. Louis County Board of Commissioners certify the levy at this amount. St. Louis County HRA Executive Director Barb Hayden discussed the budget. The motion passed; seven yeas, zero nays. HRA Resolution No. 14-188.

Commissioner Nelson, supported by Commissioner Stauber, moved to authorize \$100,000 in 2014 funds to the Subsurface Septic Treatment Systems (SSTS) Abatement Program; and further, the HRA Executive Director and County Attorney are authorized to amend the existing memorandum of understanding with the St. Louis County Environmental Services Department on behalf of the St. Louis County HRA, along with all the necessary documents related thereto. Funds as needed are to be transferred from HRA fund balance. The motion passed; seven yeas, zero nays. HRA Resolution No. 14-189.

Chair Raukar, supported by Commissioner Boyle, moved to authorize \$50,000 in 2014 funding for the Blight Removal and Redevelopment Program; and further, the HRA Executive Director and County Attorney are authorized to execute a Memorandum of Understanding between the St. Louis County HRA and the Land and Minerals Department, along with all the necessary documents related thereto. Funds as needed are to be transferred from the HRA fund balance. The motion passed; seven yeas, zero nays. HRA Resolution No. 14-190.

HRA RESOLUTION No. 14-188

WHEREAS, The St. Louis County Housing and Redevelopment Authority (HRA) has reviewed the proposed 2015 budget and proposed 2015 levy;

THEREFORE, BE IT RESOLVED, That the HRA Board does hereby approve the HRA 2015 budget in the amount of \$358,940 with \$208,940 funded from the levy and \$150,000 funded from HRA existing fund balance;

RESOLVED FURTHER, That the HRA Board certifies the 2015 levy for the HRA in the amount of \$208,940 and recommends that the St. Louis County Board of Commissioners certify the levy at this amount.

Unanimously adopted September 2, 2014.

HRA RESOLUTION No. 14-189

WHEREAS, The St. Louis County Environmental Services Department will seek St. Louis County Board approval for application to the Minnesota Board of Water and Soil Resources (BWSR) Clean Water Fund for funding to the SSTS Abatement Program to assist low-and-moderate-income homeowners with deferred loans to replace failed subsurface septic treatment systems (SSTS) identified as Imminent Threats to Public Health; and

WHEREAS, The St. Louis County HRA funding will expand the program, provide required leverage to the BWSR grant, and benefit home owners in the St. Louis County HRA area of operation; and

WHEREAS, The St. Louis County HRA has the authority to provide funding for housing rehabilitation programs pursuant to Minn. Stat. § 469.012, Subd. 6, and has funding available for such projects;

THEREFORE, BE IT RESOLVED, That the HRA authorizes \$100,000 in 2014 funds to the SSTS Abatement Program;

RESOLVED FURTHER, That the HRA Executive Director and County Attorney are authorized to amend the existing memorandum of understanding with the St. Louis County Environmental Services Department on behalf of the St. Louis County HRA, along with all the necessary documents related thereto;

RESOLVED FURTHER, That funds as needed be transferred from HRA fund balance and be paid from HRA Fund 250, Agency 251001 to the St. Louis County Deferred Septic Loan Program Fund 616, Agency 616999.

Unanimously adopted September 2, 2014.

HRA RESOLUTION No. 14-190

WHEREAS, The St. Louis County Housing and Redevelopment Authority (HRA) and Land and Minerals Department desire to facilitate the return of blighted, tax forfeit property to generating property tax revenue; and

WHEREAS, The St. Louis County HRA and Land and Minerals Department have identified blight removal from targeted properties as a barrier to their sale and return to the tax base; and

WHEREAS, The St. Louis County HRA has the authority to provide funding for blight removal and redevelopment activities pursuant to Minn. Stat. §§ 469.001 and 469.002, Subd. 11 and Subd. 12, and has funding available for such projects;

THEREFORE, BE IT RESOLVED, That the St. Louis County HRA authorizes \$50,000 in 2014 funding for the Blight Removal and Redevelopment Program;

RESOLVED FURTHER, That the HRA Executive Director and County Attorney are authorized to execute a Memorandum of Understanding between the St. Louis County HRA, and the Land and Minerals Department, along with all the necessary documents related thereto;

RESOLVED FURTHER, That funds as needed be transferred from the HRA fund balance and be paid from HRA Fund 250, Agency 251001.

Unanimously adopted September 2, 2014.

At 11:31 a.m., September 2, 2014, Commissioner Jewell, supported by Commissioner Dahlberg, moved to adjourn the meeting. The motion passed; seven yeas, zero nays.

Steve Raukar, Chair of the St. Louis County HRA

Phil Chapman, Deputy Auditor/Clerk of the County Board

Annual Meeting – Appointment of Officers for 2015

RESOLVED, That the St. Louis County Housing and Redevelopment Authority Board of Commissioners makes the following appointments:

Chair, Commissioner_____

Vice-Chair, Commissioner_____

Secretary, Commissioner_____

HRA BOARD LETTER NO. 15-02

DATE: January 6, 2015

RE: Establish HRA Official
Newspaper

FROM: Barbara Hayden
Planning and Community Development Director
HRA Executive Director

ACTION REQUESTED:

Establish HRA official newspaper.

BACKGROUND INFORMATION:

It is necessary for the St. Louis County Housing and Redevelopment Authority (HRA) Board of Commissioners to establish an official newspaper for the St. Louis County Housing and Redevelopment Authority.

RECOMMENDATION:

It is recommended that the HRA Board establish the official newspaper for the HRA to be the same as the official newspaper for St. Louis County in 2015.

HRA RESOLUTION NO.

Establish HRA Official Newspaper

RESOLVED, That the HRA Board of Commissioners hereby establishes the official newspaper for the HRA to be the same as the official newspaper established for St. Louis County in 2015.

HRA BOARD LETTER NO. 15-03

DATE: January 6, 2015 **RE:** Minnesota Housing Finance Agency
Minnesota City Participation Program

FROM: Barbara Hayden
Planning and Community Development Director
HRA Executive Director

RELATED GOAL:

Encourage, maintain, and expand economic and housing development opportunities and expand the property tax base in the HRA service area.

ACTION REQUESTED:

The HRA Board is requested to authorize issuance of notice of intent to participate in the Minnesota Housing Finance Agency - Minnesota City Participation Program.

BACKGROUND INFORMATION:

The Minnesota Housing Finance Agency (MHFA) has issued a request to participate in the Minnesota City Participation Program (MCPPI). The program is a pool of low-interest mortgage funding MHFA creates through issuance of bonds on behalf of participating jurisdictions.

Historically, MHFA used mortgage revenue bonds to fund the program. Beginning in 2010, MCPPI funding has been raised through the New Issue Bond Program (NIBP). The benefits of using the NIBP funds are:

- Lower interest rates than would normally be available through use of the Tax Exempt Mortgage Revenue Bonds
- No administrative fees charged to participating communities
- No minimum usage requirement

The bond proceeds supply funding for home mortgage loans available to low- and moderate-income first-time home buyers. The program is administered entirely by MHFA. St. Louis County citizens access funding from MHFA approved mortgage originators throughout the county.

St. Louis County has historically been one of the highest volume users of MCPPI funding in the state. County mortgage processors have accessed greater than \$38 million to assist 384 families since 2004. During 2014, the county's lenders processed 53 loans

and accessed \$5.2 million in mortgage funding. The county's 2014 allocation was \$3.42 million meaning local institutions tapped unused funding from other areas of the state to achieve a usage rate of 152%. There are no penalties or fees associated with under or over usage of MCPP funding. The income limit for a four-person household is currently \$84,985, and the purchase price limit throughout St. Louis County is \$265,000.

RECOMMENDATION:

It is recommended that the HRA Board adopt the attached resolution authorizing submission of a MCPP notice of intent to participate in MHFA.

Minnesota Housing Finance Agency - Minnesota City Participation Program

BY COMMISSIONER _____

WHEREAS, The Minnesota Housing Finance Agency (MHFA) has issued a request for notice to participate in the Minnesota City Participation Program; and

WHEREAS, The St. Louis County HRA is an eligible participant in the program and HRA participation in the MCPP is consistent with the mission and vision of the HRA; and

WHEREAS, MHFA acceptance of the HRA request will provide affordable mortgage financing to first-time home buyers throughout St. Louis County.

THEREFORE, BE IT RESOLVED, The HRA Board approves notifying the Minnesota Housing Finance Agency of the HRA's intent to participate in the 2015 Minnesota City Participation Program and authorizes the Executive Director to provide the notification;

RESOLVED FURTHER, That upon acceptance by the Minnesota Housing Finance Agency, the HRA Board authorizes the appropriate county officials to execute all the necessary documents related thereto.

Final MCPP Usage Report as of 12-04-14 (Applies to Start Up Program Loans Only)

For Informational Purposes Only

Allocation Name	Allocation Amount	Committed Loans	Committed Amount	Funds Available	Percentage of Usage	MCC Loans		Step Up Loans	
						Committed Loans	Committed Amount	Committed Loans	Committed Amount
Albert Lea	\$307,720.00	7	\$457,458.00	(\$149,738.00)	148.66%	2	\$ 158,060.00	0	\$ -
Alexandria	\$222,911.00	4	\$519,150.00	(\$296,239.00)	232.90%	0	\$ -	0	\$ -
Anoka	\$5,770,676.00	193	\$28,227,818.00	(\$22,457,142.00)	489.16%	13	\$ 2,162,452.00	14	\$ 2,455,346.00
Barnesville	\$100,000.00	0	\$0.00	\$100,000.00	0.00%	0	\$ -	0	\$ -
Becker	\$565,041.00	2	\$281,000.00	\$284,041.00	49.73%	0	\$ -	1	\$ 153,250.00
Bluff Country HRA	\$679,907.00	4	\$462,203.00	\$217,704.00	67.98%	1	\$ 147,959.00	0	\$ -
Breckenridge	\$100,000.00	0	\$0.00	\$100,000.00	0.00%	0	\$ -	0	\$ -
Carver	\$1,603,701.00	15	\$2,169,968.00	(\$566,267.00)	135.31%	3	\$ 595,563.00	3	\$ 593,337.00
Chippewa	\$208,739.00	6	\$512,445.00	(\$303,706.00)	245.50%	0	\$ -	0	\$ -
Chisago	\$918,104.00	20	\$3,162,596.00	(\$2,244,492.00)	344.47%	1	\$ 126,100.00	4	\$ 669,893.00
Crow Wing	\$1,077,473.00	3	\$256,838.00	\$820,635.00	23.84%	1	\$ 125,800.00	1	\$ 117,346.00
Dilworth	\$100,000.00	2	\$225,967.00	(\$125,967.00)	225.97%	0	\$ -	0	\$ -
Freeborn	\$223,974.00	5	\$505,934.00	(\$281,960.00)	225.89%	1	\$ 65,000.00	1	\$ 101,850.00
Fulda	\$100,000.00	0	\$0.00	\$100,000.00	0.00%	0	\$ -	0	\$ -
Glyndon	\$100,000.00	1	\$134,360.00	(\$34,360.00)	134.36%	0	\$ -	0	\$ -
Grant	\$101,962.00	1	\$72,350.00	\$29,612.00	70.96%	0	\$ -	0	\$ -
Headwaters Regional Dev. Commission	\$1,437,357.00	28	\$3,230,795.00	(\$1,793,438.00)	224.77%	3	\$ 385,738.00	2	\$ 286,460.00
Hennepin	\$13,505,775.00	307	\$45,355,567.00	(\$31,849,792.00)	335.82%	36	\$ 5,664,987.00	28	\$ 4,173,121.00
Kandiyohi	\$725,130.00	28	\$2,947,146.00	(\$2,222,016.00)	406.43%	1	\$ 152,551.00	5	\$ 597,242.00
Little Falls	\$142,490.00	0	\$0.00	\$142,490.00	0.00%	0	\$ -	0	\$ -
McLeod	\$618,696.00	14	\$1,558,675.00	(\$939,979.00)	251.93%	9	\$ 1,160,804.00	2	\$ 365,552.00
Moorhead	\$666,421.00	22	\$2,789,831.00	(\$2,123,410.00)	418.63%	3	\$ 492,370.00	1	\$ 144,850.00
Mower	\$673,704.00	56	\$4,506,959.00	(\$3,833,255.00)	668.98%	21	\$ 1,933,129.00	7	\$ 932,924.00
North Mankato	\$230,691.00	5	\$652,658.00	(\$421,967.00)	282.91%	0	\$ -	0	\$ -
NW MN Multi-Co. HRA	\$1,468,100.00	14	\$1,371,623.00	\$96,477.00	93.43%	1	\$ 94,500.00	1	\$ 87,400.00
Ortonville	\$100,000.00	0	\$0.00	\$100,000.00	0.00%	0	\$ -	0	\$ -
Otter Tail	\$981,869.00	2	\$162,434.00	\$819,435.00	16.54%	0	\$ -	0	\$ -
Owatonna	\$436,449.00	3	\$394,810.00	\$41,639.00	90.46%	1	\$ 96,836.00	0	\$ -
Ramsey	\$3,909,328.00	77	\$11,108,219.00	(\$7,198,891.00)	284.15%	6	\$ 882,093.00	8	\$ 1,342,956.00
Red Wing	\$282,409.00	2	\$175,020.00	\$107,389.00	61.97%	0	\$ -	0	\$ -
Rice	\$1,109,536.00	4	\$468,671.00	\$640,865.00	42.24%	1	\$ 181,649.00	1	\$ 166,840.00
Scott	\$2,284,739.00	45	\$6,835,467.00	(\$4,550,728.00)	299.18%	3	\$ 496,845.00	3	\$ 589,612.00
SE MN Multi-Co. HRA	\$1,763,275.00	13	\$1,160,503.00	\$602,772.00	65.82%	1	\$ 152,268.00	2	\$ 239,285.00
Sherburne	\$1,416,125.00	18	\$2,687,758.00	(\$1,271,633.00)	189.80%	1	\$ 176,892.00	2	\$ 318,795.00
Saint Cloud	\$1,127,598.00	7	\$871,778.00	\$255,820.00	77.31%	0	\$ -	1	\$ 106,268.00
Saint James	\$100,000.00	4	\$255,500.00	(\$155,500.00)	255.50%	0	\$ -	0	\$ -
Saint Louis	\$3,427,708.00	53	\$5,198,023.00	(\$1,770,315.00)	151.65%	1	\$ 116,844.00	2	\$ 270,145.00
Stevens	\$167,098.00	9	\$701,790.00	(\$534,692.00)	419.99%	0	\$ -	0	\$ -
Swift	\$164,664.00	3	\$257,396.00	(\$92,732.00)	156.32%	0	\$ -	1	\$ 66,326.00
Washington	\$4,169,529.00	87	\$12,858,442.00	(\$8,688,913.00)	308.39%	5	\$ 838,725.00	13	\$ 2,281,991.00
Wells	\$100,000.00	0	\$0.00	\$100,000.00	0.00%	0	\$ -	0	\$ -
Worthington	\$221,061.00	5	\$472,450.00	(\$251,389.00)	213.72%	0	\$ -	0	\$ -
Wright	\$2,178,612.00	27	\$4,080,667.00	(\$1,902,055.00)	187.31%	2	\$ 313,132.00	3	\$ 388,045.00
Totals	\$55,588,572.00	1,096	\$147,090,269.00		264.61%	117	\$ 16,520,297.00	106	\$ 16,448,834.00

Saint Louis County MCPP Breakdown

City	# of Loans	\$ of Loans
Duluth	45	\$ 4,627,312.00
Hibbing	5	\$ 338,692.00
Virginia	1	\$ 87,875.00
Eveleth	1	\$ 75,510.00
Proctor	1	\$ 68,634.00
Saint Louis Total	53	\$ 5,198,023.00

**Minnesota Housing Finance Agency
Minnesota City Participation Program Allocations**

	Bond Issuance	Allocation	Commitment Fee (refundable)	Processing Fee (non-refundable)	Actual Usage	Percent Usage	Number of Loans	Average Loan	
2004 Duluth	\$ 46,509,000	\$ 1,245,441	\$ 12,454.41	\$ 260	\$ 1,977,470	159%	18	\$ 109,859	
2005 SLC	\$ 41,850,000	\$ 3,575,018	\$ 35,750.18	\$ 760	\$ 4,190,885	117%	43	\$ 97,462	
2006 SLC	\$ 92,121,560	\$ 2,864,468	\$ 28,644.68	\$ 580	\$ 8,877,023	310%	95	\$ 93,442	
2007 SLC	\$ 45,042,380	\$ 2,651,719	\$ 26,517.19	\$ 520	\$ 3,489,716	132%	30	\$ 116,324	
2008 SLC	\$ 45,308,360	\$ 3,099,913	\$ 30,999.13	\$ 620	\$ 3,010,809	97%	33	\$ 91,237	
2009 SLC	Program suspended - inability to issue mortgage revenue bonds								
2010 SLC	\$ 48,606,760	\$ 2,971,287	n/a	n/a	\$ 2,158,223	73%	22	\$ 98,101	New Issue Bond Program (NIBP)
2011 SLC	\$ 51,674,520	\$ 3,099,522	n/a	n/a	\$ 529,519	17%	6	\$ 88,253	NIBP
2012 SLC	\$ 52,073,490	\$ 3,251,580	n/a	n/a	\$ 3,221,411	99%	32	\$ 100,669	NIBP
2013 SLC	\$ 52,407,321	\$ 3,257,550	n/a	n/a	\$ 5,424,112	167%	52	\$ 104,310	NIBP
2014 SLC	\$ 55,588,572	\$ 3,427,708	n/a	n/a	\$ 5,198,023	152%	53	\$ 98,076	NIBP
Total					\$ 38,077,191		384		