

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

AGENDA

**September 8, 2020
9:35 a.m.**

1. Call to Order
2. Approve Minutes of July 28, 2020 Meeting
3. HRA 2021 Budget and Property Tax Levy (20-05)

Adjourn:

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

Tuesday, July 28, 2020

The St. Louis County Housing and Redevelopment Authority (HRA) meeting was called to order at 11:57 a.m., in the Liz Prebich Room, Government Services Center, Virginia, MN, with the following members present: Commissioners Frank Jewell, Patrick Boyle, Beth Olson, Paul McDonald, Keith Musolf, Mike Jugovich and Chair Keith Nelson – 7. Absent: None – 0.

Commissioner Beth Olson attended the meeting by WebEx.

Commissioner McDonald, supported by Commissioner Jugovich, moved to approve the minutes from the January 7, 2020, HRA meeting; seven yeas, zero nays.

Commissioner Boyle, supported by Commissioner Jugovich, moved that the St. Louis County Housing and Redevelopment Authority appoint Matthew E. Johnson as Executive Director, effective August 1, 2020. The motion passed; seven yeas, zero nays. HRA Resolution No. 20-03.

Commissioner Jewell, supported by Commissioner Jugovich, moved that the County HRA authorizes the Executive Director and County Attorney to execute a repayable loan in the amount of \$320,000 to Minnesota Power. Minnesota Power agrees to pay an additional 10% simple interest on the loan in an amount of \$32,000 for a total loan repayment to St. Louis County up to \$352,000 which will be repaid over a two (2) year period beginning in 2021. The agreed-upon interest rate does not constitute a business subsidy pursuant to Minn. Stat. § 116J.993, Subd. 3. The appropriate County HRA officials and a representative of the County Attorney are authorized to execute the loan agreement on behalf of the St. Louis County HRA, along with all the necessary documents related thereto. Funds as needed be transferred from the HRA fund balance and be paid from HRA Fund 250, Agency 251001, or its designated fund. Director Johnson provided the Board with a brief overview of the agreement. Jim Atkinson, of Minnesota Power, thanked the Board for their partnership. After further discussion, the motion passed; seven yeas, zero nays. HRA Resolution No. 20-04.

HRA RESOLUTION No. 20-03

RESOLVED, That the St. Louis County Housing and Redevelopment Authority Board makes the following appointment, effective August 1, 2020:

Executive Director, Matthew E. Johnson

Unanimously adopted July 28, 2020.

HRA RESOLUTION No. 20-04

WHEREAS, Minnesota Power currently owns land on Island Lake Reservoir in the towns of Fredenberg and Gnesen, and in the Unorganized Township 53-15; and

WHEREAS, Minnesota Power is transitioning its leased property to privately owned parcels for the current lease holders; and

WHEREAS, Due to the importance of the project impact on Minnesota Power, its leased property owners, and St. Louis County tax base, Minnesota Power has requested that the St. Louis County Board consider approving a repayable loan; and

WHEREAS, The interest rate of the loan is equal to or exceeds the rate generally available for commercial loans available to Minnesota Power; and

WHEREAS, The County Housing and Redevelopment Authority (HRA) has the authority to fund projects and has funding available for such projects.

THEREFORE, BE IT RESOLVED, That the County HRA authorizes the Executive Director and County Attorney to execute a repayable loan in the amount of \$320,000 to Minnesota Power.

RESOLVED FURTHER, That Minnesota Power agrees to pay an additional 10% simple interest on the loan in an amount of \$32,000 for a total loan repayment to St. Louis County up to \$352,000 which will be repaid over a two (2) year period beginning in 2021.

RESOLVED FURTHER, That the agreed-upon interest rate does not constitute a business subsidy pursuant to Minn. Stat. § 116J.993, Subd. 3.

RESOLVED FURTHER, That the appropriate County HRA officials and a representative of the County Attorney are authorized to execute the loan agreement 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 the HRA fund balance and be paid from HRA Fund 250, Agency 251001, or its designated fund.

Unanimously adopted July 28, 2020.

At 12:05 p.m., July 28, 2020, Chair Nelson adjourned the meeting.

Keith Nelson, Chair of the St. Louis County HRA

Phil Chapman, Deputy Auditor/Clerk of the St. Louis County HRA

HRA BOARD LETTER NO. 20-05

DATE: September 8, 2020

RE: HRA 2021 Budget and
Property Tax Levy

FROM: Matthew E. Johnson
Planning and Community Development Director
HRA Executive Director

RELATED 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 2021 budget and to certify the maximum proposed property tax levy for 2021.

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 30, 2020. The HRA has exercised the authority to levy since 1990. The HRA tax levy for 2021 is proposed at a 1.48% increase from 2020 for a total of \$220,593. The maximum levy amount for the St. Louis County HRA is approximately \$1 million. Eleven cities which have their own HRA are excluded from this levy. The proposed 2021 HRA budget is \$420,593 and includes \$200,000 from the existing fund balance when available. The current undesignated fund balance for the HRA is approximately \$122,862. The HRA contracts with St. Louis County for staff services.

The 2021 HRA objectives include maintaining and expanding affordable housing opportunities, strengthening communities through redevelopment and revitalization activities, and maximizing financial resources. The proposed 2021 HRA budget is attached.

RECOMMENDATION:

It is recommended the HRA Board of Commissioners approve the 2021 budget and certify the property tax levy for 2021 in the amount of \$220,593. It is further recommended that request be made of the St. Louis County Board of Commissioners to certify the 2021 HRA levy in the amount of \$220,593.

HRA BOARD RESOLUTION NO.

HRA 2021 Budget and Property Tax Levy

BY COMMISSIONER _____

WHEREAS, The Commissioners of the St. Louis County Housing and Redevelopment Authority (HRA) have reviewed the HRA proposed 2021 budget and levy.

THEREFORE, BE IT RESOLVED, That the HRA Board does hereby approve the 2021 budget in the amount of \$420,593 with \$220,593 funded from the levy and \$200,000 funded from the HRA existing fund balance when available.

RESOLVED FURTHER, That the HRA Board certifies the 2021 levy in the amount of \$220,593 and recommends that the St. Louis County Board of Commissioners certify the levy at this amount.

**HRA
FUND 250 BUDGET**

Code	Description	2016	2017	2018	2019	2020	2021	2022	2023
251000	HRA Administration¹	Budget	Budget	Budget	Budget	Forecast	Forecast	Forecast	Forecast
	Personnel Services	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00
	Operating	58,614.32	59,658.32	65,786.07	67,319.69	71,446.21	71,149.72	70,838.41	70,511.53
	Legal	12,415.68	12,415.68	11,589.93	10,056.31	5,929.79	6,226.28	6,537.59	6,864.47
	Other Charges-Hsg Activities²	150,000.00	250,000.00	200,000.00	200,000.00	200,000.00	203,217.00	203,217.00	203,217.00
	Total	361,030.00	462,074.00	417,376.00	417,376.00	417,376.00	420,593.00	420,593.00	420,593.00

HRA REVENUES

Code	Description	2016	2017	2018	2019	2020	2021	2022	2023
251001	HRA Revenue	Budget	Budget	Budget	Budget	Forecast	Forecast	Forecast	Forecast
	Certified levy	211,030.00	212,074.00	217,376.00	217,376.00	217,376.00	220,593.00	220,593.00	220,593.00

¹HRA Admin. - Salary and fringes reimbursed to St. Louis County based on hours charged to HRA - remaining funds go into fund balance.

²Housing Activities - Funds are taken from fund balance and require HRA Board approval.

Fund 250 **HRA Fund Balance 12/31/2019** 1,109,372.16
311050

2020 projected expenses

United Way	11,400.00	
Garfield Square	200,000.00	
Bill's House	255,110.00	
Birchwood Apartments	200,000.00	
Minnesota Power Loan	320,000.00	2 year loan; 10% simple interest \$352,000 to be paid back
Total Projected Expenditures	986,510.00	

8/28/2020	Est ending Funding Balance	122,862.16
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Note:	2021 Mn Power loan payment	176,000.00
	2022 Mn Power Loan payment	176,000.00
		352,000.00

12/31/2022	Est fund balance after loan repayment	474,862.16
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