

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

AGENDA

**September 7, 2021
9:35 a.m.**

1. Call to Order
2. Approve Minutes of July 13, 2021 Meeting
3. HRA FY2022 Budget and Property Tax Levy (21-06)

Adjourn:

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

Tuesday, July 13, 2021

The St. Louis County Housing and Redevelopment Authority (HRA) met this 13th day of July 2021, at 10:29 a.m., at Fortune Bay Resort, Tower, Minnesota, with the following members present: Commissioners Patrick Boyle, Ashley Grimm, Paul McDonald, Keith Musolf, Keith Nelson and Mike Jugovich - 6. Absent: Commissioner Frank Jewell - 1.

Commissioner Jugovich, supported by Commissioner McDonald, moved to approve the minutes from the July 6, 2021, HRA meeting. The motion passed; six yeas, zero nays, one absent (Jewell).

Commissioner Jugovich, supported by Commissioner McDonald, moved that the HRA determines that the redevelopment request from the City of Buhl for the development of the Burnette Addition constitutes part of an urban renewal project and authorizes the Executive Director and County Attorney to negotiate a \$150,000 grant funding agreement, and that the appropriate HRA officials and a representative of the County Attorney are authorized to execute the grant funding agreement on behalf of the HRA, along with all the necessary documents related thereto. Funds as needed will be transferred from HRA fund balance and be paid from HRA Fund 250, Agency 251001. St. Louis County HRA Director Matt Johnson commented regarding the 2021 HRA budget limitations due to additional requests that are in the process of review. Director Johnson asked the Board to consider approving a \$75,000 grant funding agreement at this time and consider approving an additional \$75,000 grant funding agreement next year. Commissioner Jugovich, supported by Commissioner McDonald, withdrew their motion to approve \$150,000 in funding, with the understanding that a resolution would be brought to the Board in the future to approve an additional \$75,000 in funding. Commissioner Jugovich, supported by Commissioner McDonald, moved that the HRA determines that the redevelopment request from the City of Buhl for the development of the Burnette Addition constitutes part of an urban renewal project and authorizes the Executive Director and County Attorney to negotiate a \$75,000 grant funding agreement; and further, that the appropriate HRA officials and a representative of the County Attorney are authorized to execute the grant funding agreement on behalf of the HRA, along with all the necessary documents related thereto. Funds as needed will be transferred from HRA fund balance and be paid from HRA Fund 250, Agency 251001. After further discussion, the motion passed; six yeas, zero nays, one absent (Jewell). HRA Resolution No. 21-05.

HRA RESOLUTION No. 21-05

WHEREAS, The City of Buhl has requested \$75,000 from the St. Louis County Housing and Redevelopment Authority (HRA) for the development of the Burnette Addition; and

WHEREAS, The City of Buhl has determined it needs additional residential lots for development purposes ("redevelopment project") and have developed the Burnette Addition ("redevelopment plan"); and

WHEREAS, The HRA desires to fund a portion of the redevelopment project pursuant to Minn. Stat. § 469.012, Subd. 1d; and

WHEREAS, The HRA has available funding for such projects.

THEREFORE, BE IT RESOLVED, That the HRA determines that the redevelopment request from the City of Buhl constitutes part of an urban renewal project and authorizes the

Executive Director and County Attorney to negotiate a \$75,000 grant funding agreement.

RESOLVED FURTHER, That the appropriate HRA officials and a representative of the County Attorney are authorized to execute the grant funding agreement on behalf of the 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. Unanimously adopted July 6, 2021.

Unanimously adopted July 13, 2021.

At 10:38 a.m., July 13, 2021, Commissioner Musolf, supported by Commissioner Jugovich, moved to adjourn the meeting. The motion passed; seven yeas, zero nays.

Keith Nelson, Chair of the St. Louis County HRA

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

HRA BOARD LETTER NO. 21-06

DATE: September 7, 2021

RE: St. Louis County HRA FY2022
Budget and Property Tax Levy

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

RELATED DEPARTMENT GOAL:

To expanding affordable housing opportunities, maximize financial resources, and promote 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 FY2022 budget and to certify the maximum proposed property tax levy for FY2022.

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, 2021. The HRA has exercised the authority to levy since 1990.

- **Levy:** The HRA tax levy for FY2022 is proposed at a 5.94% increase for a total of \$230,288. This is an increase of \$12,912 from FY2021. Ten (10) of the eleven (11) cities which have their own local HRA's are excluded from this levy, with the City of Biwabik HRA being the exception.
- **Budget:** The proposed FY2022 HRA budget is \$430,288. This includes the proposed FY 2022 levy amount of \$230,288 plus an additional \$200,000 from the existing fund balance for potential projects and/or emergencies.

There is an unspent HRA fund balance that represents accumulated HRA levy funds from each past fiscal year that were not allocated to projects. The fund balance amount is decreased when projects are funded. Each year, the HRA budget incorporates this fund balance so that unexpected projects and/or emergencies may potentially be addressed with existing funding. The current fund balance for the HRA is approximately \$382,837 with \$200,000 being informally set-aside in reserve for emergencies. With an additional project currently under review, it is anticipated that \$32,837 will remain in the fund balance for non-emergency projects. Historically, the HRA has informally set-aside up to \$400,000 in reserves (as a minimum fund balance) for unexpected projects and emergencies that may arise.

The St. Louis County Housing and Redevelopment Authority (HRA) was created in 1988 in accordance with Minnesota Statutes and has the same powers as a municipal HRA. Its primary operational territory includes communities in St. Louis County that do not have a municipal HRA. The St. Louis County HRA may also operate in communities with a municipal HRA through invitation by the local HRA. The county's Planning and Community Development Department provides staffing to the county HRA and coordinates HRA activities with county-funded activities. There are 11 other HRA's in St. Louis County: Aurora, Biwabik, Chisholm, Cook, Duluth, Ely, Eveleth, Gilbert, Hibbing, Mountain Iron, and Virginia.

The 2022 HRA objectives include maintaining and expanding affordable housing opportunities, strengthening communities through redevelopment and revitalization activities, and maximizing financial resources. The proposed FY2022 HRA budget is attached.

RECOMMENDATION:

It is recommended the HRA Board approve the FY2022 budget and certify the property tax levy for FY2022 in the amount of \$230,288. As an additional action, it is further recommended that the HRA Board requests that the St. Louis County Board of Commissioners certify the FY2022 HRA levy in the amount of \$230,288.

HRA BOARD RESOLUTION NO.

St. Louis County HRA FY2022 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 FY2022 budget and levy.

THEREFORE, BE IT RESOLVED, That the HRA Board certifies the FY2022 HRA levy in the amount of \$230,288.

RESOLVED FURTHER, That the HRA Board approves the FY2022 HRA budget in the amount of \$430,288. This includes \$230,288 funded from the levy and \$200,000 funded from the HRA existing fund balance for projects and/or emergencies.

RESOLVED FURTHER, That the HRA Board requests that the St. Louis County Board of Commissioners certify the FY2022 HRA levy in the amount of \$230,288.

ST. LOUIS COUNTY HRA

FUND 250 BUDGET

| Code | Description | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------|-------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 251000 | HRA Administration¹ | Budget | Budget | Budget | Budget | Budget | Budget | Forecast | 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 | 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 | 73,347.97 | 87,790.66 | 87,717.48 | 87,630.03 | 87,535.33 | 87,433.67 |
| | Legal | 12,415.68 | 12,415.68 | 11,589.93 | 10,056.31 | 5,929.79 | 4,028.03 | 2,497.34 | 2,570.52 | 2,657.97 | 2,752.67 | 2,854.33 |
| | Other Charges-Hsg Activities² | 150,000.00 | 250,000.00 | 200,000.00 | 200,000.00 | 200,000.00 | 200,000.00 | 200,000.00 | 200,000.00 | 200,000.00 | 200,000.00 | 200,000.00 |
| | Total | 361,030.00 | 462,074.00 | 417,376.00 | 417,376.00 | 417,376.00 | 417,376.00 | 430,288.00 | 430,288.00 | 430,288.00 | 430,288.00 | 430,288.00 |

HRA REVENUES

| Code | Description | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------|----------------|------------|------------|------------|------------|------------|------------|----------------|------------|------------|------------|------------|
| 251001 | HRA Revenue | Budget | Budget | Budget | Budget | Budget | Budget | Forecast | Forecast | Forecast | Forecast | Forecast |
| | Certified levy | 211,030.00 | 212,074.00 | 217,376.00 | 217,376.00 | 217,376.00 | 217,376.00 | 230,288.00 | 230,288.00 | 230,288.00 | 230,288.00 | 230,288.00 |
| | | | | | | | | 5.94% increase | | | | |

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.

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| Fund 250 | HRA Fund Balance 12/31/2020 | 2,286,346.81 |
| 311050 | | |
| | 2021 Obligations: | |
| | COVID Relief | 1,000,000.00 HRA Board Res 1-02 Transfer In/Out - per Res 20-588 - CHUM SHELTER - ST FRANCIS APTS - PAID JUNE 2021 |
| | United Way | 11,400.00 |
| | Garfield Square | 200,000.00 |
| | Bill's House | 255,110.00 PO 166300 |
| | Town of Embarrass | 12,000.00 HRA Board Res 21-03 Public Restroom Rehab) |
| | Hibbing HRA | 150,000.00 HRA Board Res 21-04 New Haven Court Apts |
| | Buhl Housing Development | 75,000.00 HRA Board Res 21-05 Residential Lots |
| | Birchwood Apartments | 200,000.00 |
| | Total Projected Expenditures | 1,903,510.00 |
| 12/31/2021 | Est Ending Funding Balance | 382,836.81 |
| | Emergency Reserve | \$ 200,000.00 Emergencies and one (1) year projects/levy |
| | East Range Aurora Market | 150,000.00 Pending |
| | Projected Fund Balance | 32,836.81 |