

City of East Bethel
Housing and Redevelopment Authority

Annual Meeting – 6:30 p.m.

Date: January 22, 2014



Item	
6:30 PM	1.0 Call to Order
6:31 PM	2.0 Adopt Agenda
6:32 PM	3.0 Approve Minutes
Page 2-7	October 2, 2013
6:35 PM	4.0 Resolution 2014-01 Appoint 2014 Officers
Page 8-10	
6:38 PM	5.0 Resolution 2014-02 Designate Official Newspaper
Page 11-13	
6:41 PM	6.0 Resolution 2014-03 Designating Bank Depositories
Page 14-15	
6:44 PM	7.0 Resolution 2014-04 Setting Meeting Dates
Page 16-18	
6:45 PM	8.0 CBDG Grant Application-Septic System Repair, Coon Lake Beach
Page 19-20	
6:55 PM	9.0 City SAC and WAC Loans
Page 21-22	
7:00 PM	10.0 2014 HRA Project Goals
Page 23-25	
7:15 PM	11.0 Adjourn

City of East Bethel
Housing and Redevelopment Authority Meeting

October 2, 2013

The Housing and Redevelopment Authority (HRA) met on October 2, 2013 for a work meeting at City Hall at 6:30 PM.

MEMBERS PRESENT: Bob DeRoche Ron Koller Richard Lawrence
 Heidi Moegerle Tom Ronning

ALSO PRESENT: Jack Davis, City Administrator

Call to Order DeRoche called the work meeting to order at 6:30 PM.

Adopt Agenda **DeRoche made a motion to adopt the October 2, 2013 Housing and Redevelopment Authority (HRA) work meeting agenda. Koller seconded.** Ronning, "This is a pretty lengthy agenda. Did you direct these to be on here?" Davis, "This is what Council directed us to address." DeRoche, "The CDBG program is the one that is for not only for the Coon Lake area, but the whole City." Davis, "We were directed to bring this back to address the issues and see what was available." **All in favor, motion carries.**

Minutes **DeRoche made a motion to approve the July 5, 2013 HRA Regular Meeting Minutes. Koller seconded; all in favor, motion carries**

HRA Projects & Fund Uses Davis explained the HRA Board directed staff to look at CDBG Funds and other ways to address certain issues in the City.

1.) Hwy. 65 East Side Redevelopment Project

Purpose: Extend water and sewer service and street improvements, offer storefront renovation loans and provide streetscaping to the east side of Hwy. 65 from 184th Avenue to 187th Lane. The use of funds for this type of project would clean up a blighted area and stimulate the potential for residential development in the areas immediately surrounding the affected properties. This project would also provide utility service to this area and possibly be a catalyst for a Senior Housing Project that could potentially be located in this area.

In addition to the above benefits, this project would provide up to \$291,200 for SAC and WAC connections and extend water and sewer service within extendable limits of property south of 184th Avenue.

Estimated Cost: \$2-2.5 million dollars depending on the scope of the project

Other Funding: This project would have to be bundled with City Street Capital Improvement Plans, MnDOT Cooperative Agreement Grants, City Assessments and Municipal Utility Bond fund balances to supplement HRA monies to generate the total funds required to make this feasible.

Comments: This type of project would provide the highest return on investment of any of the alternatives that Staff has reviewed in terms of combining economic development needs and housing goals. The project could be designed to recover those costs that are assessable and require any type of loan repayment.

We estimate that the costs for this project would be 2.1 million dollars and potential funds available could be up to 2.5 million dollars depending on CBDG approval (See Attachments 1 & 2).

2.) Our Savior's Utility Extension

Purpose: Extend water and sewer service to Our Savior's Lutheran Church (OSLC) to service an area that would be developed for Senior Housing. This project would require an agreement with OSLC that would commit them to the project. Details of such an agreement would be determined by HRA program guidelines. The use of HRA funds for this project could free up any bond fund balances from the Municipal Utilities Project for other uses.

Estimated Cost: \$250,000 to \$450,000.

Comments: This project would be dependent on the guarantees that would be required from OSLC in regards to developing Senior Housing both in terms of commitment to the implementation of a project and the approval of an acceptable time line for completion. This may still be a project for use of any excess bond funds but the bond funds would have to be committed by no later than the end of this year. Terms of reimbursement are yet to be determined.

The costs to extend service to the site and accommodate future off site extensions would be \$436,139 and the costs to serve only the site would be \$330,689. The difference between these costs, \$105,450, would be the responsibility of the City as they represent an increase in line size. There have been no other discussion as to cost sharing and Staff is in the process of arranging a meeting with OSLC to determine their interest in the project.

3.) Storefront Renovation Program

Purpose: to provide loan funds to improve the storefronts and signage of up to 19 businesses along the service road on the east side of Hwy. 65 from 183rd Lane to 188th Avenue. This type of program would improve the overall appearance of a commercially blighted area and enhance the attractiveness of adjoining property for residential use.

Estimated Cost: \$400,000 to \$500,000

Comments: This would be an eligible CBDG project but there are no assurances of funding. The City may desire to explore the possibility of developing a City HRA program to address this matter if grant funds are not available.

4.) Citywide Septic System Improvement Loan Program

Purpose: Provide low interest loans for septic system improvements for failing systems in the City. This type of program could possibly be combined with County CBDG assistance to provide additional funds for these activities. This item will be discussed as a separate program in the following agenda item for the October 2, 2013 meeting.

Estimated Cost: \$100,000 to 500,000 and up depending on the number of applicants or the choice of solutions to the problems associated with Coon Lake.

Comments: This type of project would meet eligibility requirements but would offer little in the way of economic development. It may also be only a temporary solution to a much larger problem of service provision that may be required at some point in the future. While

being limited as to direct economic development benefits, this use of funds could have a potentially significant environmental impact in terms of both surface and subsurface water quality. This type of project may also be required to repay loan funds depending on the structure of the program and participation with other funding sources.

Legal and Eligibility Considerations

As with the use of specifically purposed and statutorily regulated programs and funds, any of the above uses, if selected for a project, would need to be reviewed and approved for program eligibility.

We have been tasked with the responsibility for ensuring that we obtain the maximum benefit from this program and our objective is to identify project eligible uses that would compliment both our housing and economic development goals. While the list included in this report is not all inclusive, it does present some differing examples or combination of ways that we can utilize and leverage this program to create additional benefits over and above of those of conventional housing programs.

Davis, "We also have the potential for refinancing the 2010 B bonds, but if we want to do that this \$800,000 would have to use to pay down the debt. This is the one that is loaded up front. If we want to consider this we need to let Ehlers know by Friday so we can save the cost of issuance and bond rating. That will leave us with no money for these projects and a little exposed for change orders and cost issuance." Vierling, "The presumption, the legal due diligence is still out on whether you can do that. If you do it and it turns out you can't, you have an audit issue with the IRS." Davis, "Stacy is still investigating if this is legally possible and to getting another opinion on that." DeRoche, "The fact that we would be depleting the funds and we haven't done well in experimental projects. I wouldn't be such a good think in my mind and then to have it come back and not be legal, that is an issue." Ronning, "These estimates, are they based on continuing rebates from the government?" Davis, "They are based on what we have now. I did send out that in 2014 there will be a reduction. We will experience a 7.2% reduction. That will probably be on the table until 2021." Ronning, "So that means there is a reduced rebate in here?" Davis, "It is something they are considering."

Koller, "I don't like spending that much money to buy it down. It could put us in some hurt." Davis, "Spending money on infrastructure will probably provide us with a bigger return." DeRoche, "To do this road over there, what I see next is these businesses would need to hook up." Davis, "That would be the only way feasible to do it." DeRoche, "Has any of this been discussed with the businesses?" Davis, "This wouldn't be an up or down vote of whether we were going to do it. We would have to have discussions with MnDOT about right-of-way and I would want to have some additional meetings with the businesses over there. Some businesses say they are okay with it, some are against it. If you give us direction to move forward with it, then we will let them know we are considering a package to move forward."

Moegerle made a motion to table this indefinitely as far as the 2010 B Bond

Refunding. Koller seconded. Ronning, "We need to keep in mind, I am not one for refinancing, I like to pay things off. But at anytime some or all of the rebate can go away. This looks like we would have at least minimal savings with the likelihood of some more down the line. We also have the attorney's comments." **Ronning, nay; DeRoche, Koller, Lawrence and Moegerle, aye; motion carries.**

Davis, "Colleen and I met with the attorney for Our Saviour's Church. This is something we can probably apply for an HRA Grant up to \$300,000. The rest would have to be bond funds or HRA funds. If this were done the cost to the church would be about \$330,000." Moegerle, "Why would Our Saviour's apply for CDBG and do this on their own dime?" Koller, "It would be nice if we had a commitment on the Senior Housing." Moegerle, "Is this the full time pastor or interim pastor you are meeting with?" Winter, "Full time." DeRoche, "Isn't this something that was looked at several years ago?" Davis, "It was. But, they couldn't get enough people to sign up for the housing at that time." Moegerle, "I think we encourage them to apply for the CDBG program with a smile on our face." Davis, "We should set a priority for the projects that you would like to see done."

Davis, "The City-wide septic system loan program. What we had originally talked about was setting it up as a City loan program and using City funds. In summary we have four projects we have discussed and we feel are good candidates for CDBG funding or City loan projects. Some are going to take a couple months to develop anyway. The grant application for CDBG for this cycle is due January 2014, so if Council gives us direction we need to know which direction you would like us to go."

DeRoche, "I would like to help people with failing septic/sewer systems. If we are going to fix the roads and make them pay for the City water and sewer, let's make sure they are going to be able to be here." Moegerle, "Let's get the Chamber to work with them and help them go get CDBG funds." DeRoche, "This is the federal funds, not City funds." Moegerle, "I don't know why we would be doing the administrative on it." Ronning, "Do you have any thought on the participation?" Moegerle, "You can't drag people into doing things." Ronning, "If they are at the point of doing this, we would be helping them. I would like to do whatever we can to leverage our services best." DeRoche, "I thought it was part of staff's tasks that they should be doing some of the administration of this."

Winter, "I think there are two distinct projects. One is infrastructure and road improvements. The other is storefronts. Maybe look at it over after two years. The infrastructure is critical." Koller, "I have been looking at these and our biggest need is utilizing water and sewer and this is utilizing water and sewer. Have you talked to Mr. Osborne?" Davis, "We have talked to Mr. Osborne and he is anxious to get the water and sewer over there. We need to grow this system as much as we can, there will be costs involved. But we cannot just sit back and not do anything. My personal recommendation would be to keep working on this. It would be good to make sure we have the funds available." DeRoche, "How much is in our street capital funds?"

Davis, "Let us come back to you with more information."

CDBG
Grant
Program

Davis explained that the funds from the Community Development Block Grant (CDBG) Program are made available for physical improvements, economic development, and housing activities in Anoka County. These funds are allocated by the U.S. Department of Housing and Urban Development (HUD). The Community Development Block Grant (CDBG) program is a federal government program that promotes community revitalization and funds those eligible types of activities. The CDBG Program provides annual grants to Anoka County for eligible projects to accomplish these objectives.

Anoka County is granted and distributes these funds annually to local communities through a competitive application process. This application is for project and planning activities

only. This process is managed by the Community Development Department of Anoka County. Project areas include the Anoka County area except for the City of Coon Rapids which is its own entitlement.

Applications are reviewed by the Anoka County Community Development staff for project and applicant eligibility. The Community Development staff provides a funding recommendation to the Anoka County Housing and Redevelopment Authority (HRA) Board of Trustees and Anoka County Board of Commissioners for final approval.

City Staff has met and discussed potential projects with the Anoka County Development Department and have been informed that the City may be eligible for funds up to \$300,000 to be used to address public health and neighborhood improvements for low and moderate income persons. The City has discussed on several occasions the possibility of developing or utilizing an existing program to rehabilitate, improve and/or replace non-compliant septic systems for those persons that have limited means to address these issues.

Should the City decide to apply for CDBG funds to provide assistance for septic system repair, the City Council would need to authorize the application for the grant. The grant requires no match and costs incurred are paid by the City and reimbursed by the County.

In order to submit an application, the City must decide if this is to be a City wide or a defined neighborhood project. The advantage to a neighborhood project is that only one Environment Review is required for the project as opposed to individual reviews for a City wide project.

The Coon Lake Beach area has had issues with septic system compliance and would be the prime area to target for a CDBG application for these purposes. This neighborhood approach, with Coon Lake Beach being the focus area, would have the following advantages over other sections in the City as to an increased potential for funding;

- 1.) The Target Area would be of manageable size to complete the necessary eligibility surveys;
- 2.) The Target Area may be able to meet the income guidelines;
- 3.) Septic system problems have been an issue for many residents in this neighborhood;
- 4.) The City hasn't received CBDG funding since the Senior Center Addition to City Hall in 1998.

As part of the application process, a Participant Survey will need to be finished by December 1, 2013 and resources allocated to complete this work. Applications are due January 14, 2014.

There is \$784,705 in the HRA account. \$281,400 of this amount is encumbered by a loan to the City EDA and \$22,900 proposed for HRA administration in the 2014 budget. These funds, if not utilized by the EDA by December 31, 2013, revert back to the HRA. Excluding the outstanding EDA loan and proposed 2014 administrative costs, there is an unencumbered balance of \$480,405 in the HRA account for purposes of the program for 2014. This balance is subject to designation for other purposes as determined by the HRA Staff recommends the HRA consider a recommendation to City Council to apply for a Community Development Block Grant for the Coon Lake Beach Neighborhood for the

purpose of septic system repair and compliance.

Davis, "The Past grant was done by the Coon Lake Beach Community Center and they had to do a survey. They had to go out and sample 120 people. In this case we may be able to circumvent this but we would need to get letters from HUD. The application needs to be completed by January 14, 2014." Moegerle, "In anticipation of this, I checked my file here at City Hall to see if my pumping records were here. I know that I sent it in and it wasn't here. Do we have an electronic record of septic pumping." Davis, "I will check on that. We do have the information that Emmanuel put together for us. One of the things we would have to show is need, that people have septic issues. If we are asking them to self-report and if they are not compliant and if we don't get the grant, then they would have to pay to get it up-to-date. We are asking you if you want to apply for the grant?"

Moegerle made a motion to pursue the CDBG Grant with special attention paid to self reporting and what we will do if we don't get the grant and we have systems non-compliant. Davis, "We would have to make sure that the funds would be available if they needed them to upgrade." DeRoche, "Every time you go to do something, they change the regulations and you can be non-compliant." Davis, "There may be certain lots over there that there may be nothing you can do." **DeRoche seconded.** Davis, "We can begin by seeing what it would cost to get extra help for the participant survey." DeRoche, "I will approach the people at the community center and see if they would be willing to help with the survey if needed." Ronning, "One thing is perception or reality, there is unintended entrapment. Telling them I am not well, okay you are sick and we are going to charge you double. Non-compliant is a better term." Vierling, "We can address other things in the application materials." **All in favor, motion carries.**

Adjourn

Moegerle made a motion to adjourn the HRA meeting at 7:27 PM. DeRoche seconded; all in favor, motion carries.

Attest:

Wendy Warren
Deputy City Clerk



City of East Bethel Housing & Redevelopment Authority Agenda Information

Date:

January 22, 2014

Agenda Item Number:

Item 4.0

Agenda Item:

Election of 2014 Officers

Requested Action:

Adopt Resolution 2014-01 Electing 2014 HRA Officers

Background Information:

According to the HRA By-Laws, the Board is required to elect HRA Officers at its annual meeting.

Section 2.2 Officers. The officers of the Authority shall consist of a Chairperson, Vice Chairperson, a Secretary and an Executive Director. The Chairperson, Vice Chairperson and Secretary shall be members of the Board and shall be elected annually, and no Commissioner may serve as Chair and Vice-Chair at the same time.

Current HRA Officers are as follows:

Bob DeRoche, Chairperson

Tom Ronning, Jr., Vice-Chairperson

Ron Koller, Secretary

Fiscal Impact:

None at this time.

Recommendation:

Staff is recommending the Housing and Redevelopment Authority Board adopt Resolution 2014-01 electing the 2014 HRA officers.

Housing and Redevelopment Authority Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

**HOUSING & REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA**

RESOLUTION NO. 2014-01

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AND
REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF EAST BETHEL,
MINNESOTA, ELECTING OFFICERS FOR 2013**

WHEREAS, On May 20, 2009, the City Council adopted Enabling Resolution 2009-36 establishing a Housing and Redevelopment Authority; and

WHEREAS, according to the East Bethel Housing and Redevelopment Authority By-Laws, the Board is required to elect HRA Officers at its annual meeting; and

WHEREAS, the officers of the Authority shall consist of a Chairperson, Vice Chairperson and a Secretary.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF
COMMISSIONERS OF THE HOUSING AND REDEVELOPMENT AUTHORITY IN
AND FOR THE CITY OF EAST BETHEL, MINNESOTA as follows:**

1. Appointment of Officers. In accordance with the By-Laws of the Authority hereby adopted, the Board hereby appoints to the following offices of the Authority the following persons, respectively:

Chairperson:

Vice Chairperson:

Secretary:

Adopted this 22nd day of January, 2014 by the Housing and Redevelopment Authority of the City of East Bethel.

HOUSING AND REDEVELOPMENT AUTHORITY

, Chair

ATTEST:

Jack Davis, City Administrator



City of East Bethel Housing & Redevelopment Authority Agenda Information

Date:

January 22, 2014

Agenda Item Number:

Item 5.0

Agenda Item:

Resolution 2014-02 Designating Official Newspaper

Requested Action:

Adopt Resolution 2014-02 designating the Anoka County Union as the Official Newspaper for 2014

Background Information:

State Statute requires that the East Bethel Housing and Redevelopment Authority publish its official notices in a newspaper that has general distribution throughout the City. The Housing and Redevelopment Authority is required to designate an official newspaper where legal notices will be published.

The Anoka County Union meets the publication and circulation requirements and it is also the City of East Bethel's official newspaper.

Resolution 2014-02 would designate the Anoka Union as the official newspaper for 2014.

Attachment:

- 1. Resolution 2014-02 – Designating Official Newspaper

Fiscal Impact:

None at this time.

Recommendation(s):

Staff is recommending the Housing and Redevelopment Authority Board adopt Resolution 2014-02 designating the Anoka County Union as the Official Newspaper for 2014.

Housing and Redevelopment Authority Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

**HOUSING & REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA**

RESOLUTION NO. 2014-02

**RESOLUTION DESIGNATING THE ANOKA COUNTY UNION AS THE OFFICIAL
NEWSPAPER FOR 2014**

WHEREAS, State Statute requires that the East Bethel Housing and Redevelopment Authority publish its official notices in a newspaper that has general distribution throughout the City; and

WHEREAS, Minnesota State Statute requires the Housing and Redevelopment Authority to designate an official newspaper where legal notices will be published; and

WHEREAS, State Statute requires that the official newspaper have a publication at least weekly; and

WHEREAS, the Anoka County Union meets the publication and circulation requirements for the East Bethel Housing and Redevelopment Authority.

**NOW THEREFORE, BE IT RESOLVED BY THE HOUSING AND
REDEVELOPMENT AUTHORITY OF EAST BETHEL, MINNESOTA THAT:** the
Housing and Redevelopment Authority hereby designates the Anoka County Union as the
official newspaper for the City for 2014.

Adopted this 22nd day of January, 2014 by the Housing and Redevelopment Authority of the
City of East Bethel.

HOUSING AND REDEVELOPMENT AUTHORITY

, Chair

ATTEST:

Jack Davis, City Administrator



City of East Bethel Housing & Redevelopment Authority Agenda Information

Date:

January 22, 2014

Agenda Item Number:

Item 6.0

Agenda Item:

Resolution 2014-03 Designating Official Depository

Requested Action:

Consider adoption of Resolution 2014-03 designating the official depositories for the East Bethel Housing and Redevelopment Authority

Background Information:

Resolution 2014-03 identifies official depositories for East Bethel Housing and Redevelopment Authority funds. These agencies or institutions are the approved depositories for East Bethel Housing and Redevelopment funds to include checking, money market or investments.

Attachment:

- 1. Resolution 2014-03 – Designating Official Depository

Fiscal Impact:

None at this time.

Recommendation(s):

Staff is recommending the Housing and Redevelopment Authority Board adopt Resolution 2014-03 designating the official depositories for 2014.

East Bethel Housing and Redevelopment Authority Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

**HOUSING & REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA**

RESOLUTION NO. 2014-03

RESOLUTION DESIGNATING OFFICIAL BANK DEPOSITORIES FOR 2014

NOW THEREFORE, BE IT RESOLVED BY THE HOUSING AND REDEVELOPMENT AUTHORITY OF EAST BETHEL, MINNESOTA THAT: the following entities are designated official depositories for the Housing and Redevelopment Authority in and for the City of East Bethel for 2014.

- Peoples Bank of Commerce
- 4M Fund
- Village Bank
- Morgan Stanley Smith Barney

Adopted this 22nd day of January, 2014 by the Housing and Redevelopment Authority of the City of East Bethel.

HOUSING AND REDEVELOPMENT AUTHORITY

,Chair

ATTEST:

Jack Davis, City Administrator



City of East Bethel
Housing & Redevelopment Authority
Agenda Information

Date:

January 22, 2014

Agenda Item Number:

Item 7.0

Agenda Item:

Resolution 2014-04 Setting Meeting Dates for 2014

Requested Action:

Consider adopting Resolution 2014-04 setting meeting dates for Housing and Redevelopment Authority meetings.

Background Information:

Housing and Redevelopment Authority By-Laws require the HRA Board to hold an annual meeting preceding the second regular City Council meeting at 6:30 P.M. of the month of January in each year. The HRA must also hold regular meetings the first month of each quarter preceding the second regularly scheduled City Council meeting, or at such other time as the Board may determine.

Attached is Resolution 2014-04 setting the HRA meeting dates for 2014.

Attachment:

- 1. Resolution 2014-04 Setting Housing and Redevelopment Authority Meeting Dates for 2014.

Fiscal Impact:

None

Recommendation:

Staff recommends adoption of Resolution 2014-04 Setting the Meeting Dates for Housing and Redevelopment Authority meetings.

East Bethel Housing and Redevelopment Authority Action

Motion by: _____

Second by: _____

Vote Yes:_____

Vote No:_____

No Action Required:_____

**HOUSING & REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA**

RESOLUTION NO. 2014-04

**RESOLUTION SETTING HOUSING AND REDEVELOPMENT AUTHORITY MEETING
DATES FOR 2014**

WHEREAS, the Housing and Redevelopment Board shall hold an annual meeting preceding the second regular City Council meeting date of the month of January in each year; and

WHEREAS, the Housing and Redevelopment Board shall hold regular meetings at least once the first month of each quarter preceding the first regularly scheduled City Council meeting, or at such other time as the Board may determine; and.

NOW THEREFORE, BE IT RESOLVED BY THE HOUSING AND REDEVELOPMENT AUTHORITY OF EAST BETHEL, MINNESOTA THAT: the 2014 Meeting Schedule for the Housing and Redevelopment Authority meetings to be held at City Hall at 2241 221st Ave. NE is as follows:

Housing and Redevelopment Authority

January 22, 2014 – Annual Meeting
April 2, 2014 – Regular Meeting
July 2, 2014 – Regular Meeting
October 1, 2014 – Regular Meeting

Adopted this 22nd day of January, 2014 by the Housing and Redevelopment Authority of the City of East Bethel.

HOUSING AND REDEVELOPMENT AUTHORITY

Chair

ATTEST:

Jack Davis, City Administrator



City of East Bethel Housing & Redevelopment Authority Agenda Information

Date:

January 22, 2014

Agenda Item Number:

Item 8.0

Agenda Item:

Coon Lake Beach Septic System Repair CDBG Application

Requested Action:

Information Item

Background Information:

Resolution 2013-72 Approving CDBG Grant Application, as approved by City Council at the December 18, 2013 Council Meeting authorized Staff to submit an application for Community Development Block Grant Funds for the purpose of assisting individual qualified home owners to repair or replace non-compliant septic systems in the Coon Lake Beach Neighborhood.

The application was submitted to the Anoka County Community Development Department on January 16, 2014. The time line and process for the approval is as follows:

January: -CDBG and HOME funding applications due by designated date (current application has deadline)

-Staff evaluates/scores/ranks applications for presentation to ACHRA Work Committee

-Work begins on current year's Action Plan

-Recapture of any unspent CDBG funds from previous funding year

February: -ACHRA Work Committee meets to review, rank and recommend funding applications to full ACHRA Board -ACHRA Board reviews funding recommendations and Action Plan (and every fifth year, the 5-year Consolidated

Plan); it holds a public hearing regarding same and forwards recommendations to the Anoka County Board for final approval

-Dakota County CDA holds a public hearing for the consortium's Action Plan; and every fifth year, that includes the 5-year Consolidated Plan

March: -Start 30-day public comment period on applications recommended for CDBG/HOME funding, Action Plan; and every fifth year, the 5-year Consolidated Plan

April: -Anoka County Board reviews CDBG/HOME funding applications and gives final approval; it does the I reviews of newly funded HOME and CDBG activities completed

May: -Anoka County's portion of the Action Plan sent to Dakota County

-Dakota County submits Consortium's Action Plan (and every fifth year, the 5-year Consolidated Plan) to HUD

-Letters sent to CDBG/HOME applicants notifying them of funds awarded or no funds awarded

-Contracts sent for signing to those applicants awarded funding

June: -Signed contracts due back to department

July: -July 1 start of new program year for both CDBG and HOME programs

-Department receives HUD approval of Action Plan and funds are released (approval date may be later than July)

Attachments:

Recommendations:

East Bethel Housing and Redevelopment Authority Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____



City of East Bethel Housing & Redevelopment Authority Agenda Information

Date:

January 23, 2014

Agenda Item Number:

Item 9.0

Agenda Item:

City SAC and WAC Loan Program

Requested Action:

HRA Loan Status Report

Background Information:

The City’s portion of the Municipal Utility Project is complete and there are 13 businesses that are required to connect to the system. There is a substantial cost to these businesses owners for accessing the new utilities and City Council and the Economic Development Authority discussed ways to minimize the financial impact. As a result, “The Utility Infrastructure Loan Program” was approved by City Council on April 17, 2013 to address this situation.

This program designated loan funds to qualified property owners for the purpose of paying SAC and WAC fees and up to \$5,000 in connection costs. The term of loans were to be for 5 years at 4% and the maximum loan amount was \$37,800. December 31, 2013 was the deadline to apply for these funds.

In order to implement the program it was necessary to approve the transfer of up to \$281,400 from the HRA to the EDA to make funds available for this purpose. Resolution 2013-05 enabled the transfer to be complete and funds made available for the loan program.

As was previously reported, we had two applicants for the Loan Program, Northbound Woodworks (\$16,400) and Rickey Properties LLC (\$21,400). The primary requirement for loan eligibility is that all eligible applicants must be in good standing with the City and all property taxes, applicable city licenses, and utilities must be current and paid.

Rickey’s Properties did not meet the loan requirements. Their loan has not been approved as of this date.

Unless this is a matter that Council wishes to discuss further, this loan application will remain in an unapproved status.

Fiscal Impact:

The amount of funds that will be transferred from the HRA to the Utility Infrastructure Loan Program is \$16,400.

Recommendations:

None at this time

East Bethel Housing and Redevelopment Authority Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____



City of East Bethel Housing & Redevelopment Authority Agenda Information

Date:

January 22, 2014

Agenda Item Number:

Item 10.0

Agenda Item:

2014 HRA Projects and Fund Uses

Requested Action:

Discuss Potential HRA (Housing and Redevelopment Authority) Projects and Uses of HRA Funds for 2014

Background Information:

The City is authorized by Minnesota Statutes, Chapter 469.001 to 469.047(the ACT) to establish a Housing and Redevelopment Authority (HRA) to address;

- a) the shortage of decent, safe and sanitary dwelling accommodations available to persons of low and moderate income and their families at prices and amounts they can afford within the City of East Bethel;
- b) substandard, slum or blighted areas existing within the City of East Bethel which cannot be redeveloped without government assistance.

In addition to the more customary HRA activities that address strictly housing , there are a variety of uses we may wish to explore for their potential as projects to leverage our HRA funds to produce primary economic development results. The following projects could potentially be candidates for HRA funding:

Hwy. 65 East Side Redevelopment Project

Purpose: Extend water and sewer service and street improvements, offer storefront renovation loans and provide streetscaping to the east side of Hwy. 65 from 183rd to 187th Lane. The use of funds for this type of project would clean up a blighted area and stimulate and improve the potential for residential development in the areas immediately surrounding the affected properties.

Estimated Cost: \$2-3 million dollars depending on the scope of the project

Other Funding: This project would have to be bundled with City Street Capital Improvement Plans, MnDOT Cooperative Agreement Grants, MSA, Municipal Utility Bond fund balances to supplement HRA monies to generate the total funds required to make this feasible.

Comments: Justification for this type of project may prove to be challenging but this type of project would provide the highest return on investment of any of the alternatives that Staff has reviewed in terms of combining economic development needs with housing goals. The project could be designed to recover those costs that are assessable and require any type of loan repayment.

Our Savior's Utility Extension

Purpose: Extend water and sewer service to Our Savior's Lutheran Church (OSLC) to service an area that would be developed for Senior Housing. This project would require an agreement with OSLC that would commit them to the project. Details of such an agreement would be determined by HRA program guidelines. The use of HRA funds for this project could free up any bond fund balances from the Municipal Utilities Project for other uses.

Estimated Cost: \$350,000 to \$450,000.

Comments: This project would be dependent on the guarantees that would be required from OSLC in regards to developing Senior Housing both in terms of commitment to the implementation of a project and the approval of an acceptable time line for completion.

Storefront Renovation Program

Purpose: to provide loan funds to improve the storefronts and signage of up to 19 businesses along the service road on the east side of Hwy. 65 from 183rd Lane to 187th Avenue. This type of program would improve the overall appearance of a commercially blighted area.

Estimated Cost: \$400,000 to \$500,000

Comments: This would be a loan fund project and would be repaid to the HRA. This type of program could also qualify for CBDG Grant funds.

Waterline Extension to Village Green

Purpose: Extend Water Service to Village Green to serve approximately 140 low to moderate income residents. This project would provide access to the City water system and enable a more reliable and efficient means of fire protection and water delivery. This project would require a mandatory connection and a legal opinion as to the application of the hook-up obligation.

Estimated Cost: \$300,000

Comments: This project may be able to be done separately and specially assessed to recover the costs of extension.

Citywide Septic System Improvement Loan Program

Purpose: Provide low interest loans for septic system improvements for failing systems in the City. This type of program could possibly be combined with County CBDG assistance to provide additional funds for these activities. Estimated Cost: \$500,000 and up depending on the number of applicants or the choice of solutions to the problems associated with Coon Lake.

Comments: The City is submitting a CBDG application requesting \$300,000 for this project. We should receive notification as to approval by April 2014.

Other Considerations

- Use of funds for other means to stimulate the development of Senior Housing

- Consideration of City HRA Levy for 2014 and beyond

Legal and Eligibility Considerations

As with the use of specifically purposed and statutorily regulated programs and funds, any of the above uses, if selected for a project, would need to be reviewed and approved for program eligibility.

We have been tasked with the responsibility for ensuring that we obtain the maximum benefit from this program and I would hope that we could find project eligible uses that would compliment both our housing and economic development goals. While the list included in this report is not all inclusive, it does present some differing examples or combination of ways that we can utilize and leverage this program to create additional benefits over and above of those of conventional type housing programs.

Fiscal Impact:

The City did not levy an HRA tax for pay 2012, 2013 or 2014. The unaudited cash balance of the HRA Fund as of December 31, 2013 is \$770,000. An inter-fund loan to the EDA in the amount \$16,400 has been accounted for in the balance and no other portions of the \$281,400 loan were utilized. The EDA inter-fund loan of \$16,400 is scheduled to be repaid over the next five.

A 2014 budget transfer to the General Fund of \$22,900 for HRA administrative costs is not included in the \$770,000 balance. Total available funds for HRA projects in 2014, at this time, are \$730,700.

The HRA should consider maintaining a minimum balance of \$100,000 in this account.

Recommendations:

Staff requests the HRA consider and discuss the uses of HRA funds for the projects listed above or other possible uses of these funds that are program eligible.

East Bethel Housing and Redevelopment Authority Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____