

City of East Bethel
Housing and Redevelopment Authority
October 5, 2011

The Housing and Redevelopment Authority (HRA) met on October 5, 2011 for a regular meeting at City Hall at 6:30 PM.

MEMBERS PRESENT: Bob DeRoche Richard Lawrence Heidi Moegerle

MEMBERS EXCUSED: Bill Boyer Steve Voss

ALSO PRESENT: Jack Davis, City Administrator
 Mark Vierling, City Attorney
 Stephanie Hanson, City Planner

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

Adopt Agenda **Moegerle made a motion to adopt the October 5, 2011 Housing and Redevelopment Authority (HRA) meeting agenda. DeRoche seconded; all in favor, motion carries.**

Approve Minutes **Moegerle made a motion to approve the July 6, 2011 HRA minutes subject to the usual grammar and spelling changes. DeRoche seconded; all in favor, motion carries.**

Housing Action Plan Davis explained that as part of the participation of the Livable Communities Program and to be eligible to apply for grants, the City HRA must prepare a Housing Action Plan identifying how the city will address its housing goals. An approved HAP must be submitted by December 31, 2011 to qualify for 2012 funds.

The grant programs include Tax Base Revitalization (TBR), Livable Communities Demonstration (LCD), and Local Housing Incentives (LHI). Staff has additional information on each program at your request.

A draft of the HAP was presented to HRA at its July 6, 2011 meeting with the intention the final document would be presented at the October 5 HRA meeting.

The Metropolitan Council has reviewed the document and has no comments.

Staff requests the HRA to approve the Housing Action Plan and direct staff to submit the final plan to the Metropolitan Council.

DeRoche asked why are we going off the census from 2000. Hanson said actually the new census numbers are in here, but the Met Council asked that we keep the old numbers in there to see the difference. Moegerle asked on page one, 5th line down, middle paragraph, start with: The plan of the city to have a state of the art, can we say **realization of the plan**. She said because it is no longer a plan, it is close to a reality. Moegerle asked will this allow us to get CDBG Grants? Hanson said yes, it will. Moegerle asked is it redundant to say CDBG Grants, should it just be CDBG? Davis said it is Community Development Block Grant. Moegerle said so saying “grant “afterward is redundant.

DeRoche asked what grants would be available? Hanson said the three grants available from Met Council are Tax Base Revitalization and that provides funds to clean up polluted

lands; to make available for economic development, job retention, and job growth. Or for production of job growth that would enhance the tax base. She said the next one is the Livable Communities Demonstration Account. Hanson said this program funds are for development and redevelopment projects that demonstrate efficient and cost effective use of land and infrastructure and achieve connected development patterns linking affordable housing services. She said this is affordable housing and life cycle housing. DeRoche asked for a definition of affordable/life cycle housing. Hanson said Met Council has a definition you have to go by. She said they consider it affordable if it costs 30% or less of the total income for a family of low or moderate income. Hanson said the city isn't specifically saying it has to be the lowest value.

DeRoche asked what kind of time parameters are on this grants? He asked if we file for a grant and then get it, will they then come back and say you have to do it in a certain amount of time or you don't get it? Hanson said yes, these grants are for projects that are ready to be done. Davis said these grants are for shovel ready projects. In other words, they are ready to go when you submit the grant application. So, if the grant is approved, that secures the financing for the project, so it is a go. DeRoche said just so people understand it is not free money. Davis said there is no such thing as free money. Lawrence asked on these houses are they assembly unit homes, or fourplex style homes? Hanson said either; they have projects that have done either throughout the Twin Cities. Lawrence asked so it could be anything from an apartment to a single family unit? Hanson said yes.

Moegerle made a motion to approve the Housing Action Plan with the changes as noted and direct staff to submit to Met Council. Lawrence seconded; all in favor, motion carries.

Other
Business –
Septic
Programs

Moegerle said she does have another issue she wants to discuss and this has come up recently. She said it is due to fact that Phase 1A Sewer is not coming from our sewer plan in the indefinite future. Moegerle said there are a lot of people from Coon Lake Beach that have approached her last year and said their septic has failed or is failing. She said they were concerned about it, but since they thought the sewer was coming in tomorrow (or so they believed) they said they weren't going to fix it. Moegerle said now that it is clear that Phase 1A is not going to come in, these people have legitimate concerns about the environment and want to bring their septic systems up to code. However, because many of these residents are low income, they don't have the wherewithal to do that. Moegerle said it seems to her that the HRA is uniquely situated, with a balance in its fund to do low income loans or grants that would go against a mortgage to secure updated septic systems. She said she wanted to know whether there is any interest on the part of the authority to proceed with that.

DeRoche asked would that also cover the people that just put in a couple of tanks. He said they were told to do this because the sewer was going to come. Moegerle said she thinks we could also look at cluster systems and other alternatives for these people. She said she can think of three people off-hand that have active concerns about this. DeRoche said he has three people on Collen that were told to put in holding tanks because the sewer was coming. Davis said if they were told to put in holding tanks for that reason then they should come in and apply for a septic permit. DeRoche said he knows there were time perimeters set up, within a time frame you have to do something. Davis said but if that is their situation, they should come in and apply for a septic permit and see if they can get a system installed. Moegerle said because those aren't low income people.

Moegerle asked is there interest looking at into a loan fund because we still have \$700,000 in the HRA fund from what we got (from the settlement with Anoka County and those accumulated funds.) DeRoche said he is sure there are enough people on the Beach that their systems are failing. Moegerle said and whether we make that a septic rehabilitation area and focus it for the Beach, she is not sure. She said she has heard there are people on north side that have similar problems. Moegerle said maybe we want to make it a Coon Lake Shoreland Overlay District. DeRoche asked weren't there grants available for that. Moegerle said she has had people in her neighborhood apply for the grants who really want them and need them but, because they don't have enough equity in the house, they don't qualify. They are stable people in the community, but they have too much income, or some other reasons or technicalities.

Moegerle said what we could do is devise it as a lien, so if they transfer the property it is paid off when the property is sold so we would be protected there. She said if we did low interest loans they could pay it back. She asked Vierling for ideas how that could be structured. Vierling said depending on what you want to accomplish there are other options you have. Moegerle asked if we can direct staff to look more closely at more options of what we could do and come up with some preliminary guidelines through the HRA to utilize these funds. She said what we have been using these funds for currently is inter-fund loans to the EDA. Moegerle asked we taxed our residents for this; shouldn't we put the money to work?

Moegerle made a motion to direct staff to look into programs through the HRA to fund septic system replacement or upgrades for low income residents of East Bethel particularly focused on the Coon Lake area. Vierling said he doesn't think you want to limit this by geographic area. Moegerle said no, you are right, but because it is particularly low income there. That is why it would be focused there, but for the whole city. **Moegerle amended her motion to city-wide. Lawrence seconded; all in favor, motion carries.**

Adjourn **Lawrence made a motion to adjourn the HRA meeting at 6:48 PM. Moegerle seconded; all in favor, motion carries.**

Attest:

Wendy Warren
Deputy City Clerk