

City of East Bethel
Housing and Redevelopment Authority
July 6, 2011

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

MEMBERS PRESENT: Bill Boyer Bob DeRoche Richard Lawrence
 Heidi Moegerle Steve Voss

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

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

Adopt Agenda **Moegerle made a motion to adopt the July 6, 2011 Housing and Redevelopment Authority (HRA) meeting agenda. Voss seconded; all in favor, motion carries.**

Approve Minutes **DeRoche made a approve the April 6, 2011 HRA minutes. Voss seconded; all in favor, motion carries.**

HRA Interfund Loan Hanson explained that at the May 18, 2011 City Council meeting, City Council directed staff to begin the process of establishing an inter-fund loan from the HRA to the EDA, payable over five (5) years.

The EDA would like to move forward on projects in 2011; however there are no funds available to EDA until 2012. The inter-fund loan will allow the EDA to start the branding and marketing process, obtain services such as legal and consulting, and staffing. Attached in your packet was a draft of the 2012 EDA Budget which was to be reviewed by the EDA on July 20, 2011, but it is her understanding that meeting has been cancelled and will be rescheduled by City Council in the near future. This has been attached so the HRA has an idea of the proposed spending of EDA funds.

Attached in your packet also was Resolution 2011-05, A Resolution Authorizing an Inter-Fund Loan. The maximum term of the loan is five (5) years because immediately paying back the loan in full may cause insufficient EDA funds for the next few fiscal years.

As of current, the HRA fund has a balance of \$711,076. It is proposed that no tax levy will be collected in 2011 collectible in 2012. The remaining HRA balance will be used for HRA projects that address shortage of decent, safe, and sanitary dwelling accommodations available to persons with low to moderate income and to address substandard, slum, or blighted areas that could not be redeveloped without government assistance. At this time, there are no HRA projects being considered.

Staff requests City Council consider adoption of Resolution 2011-05, A Resolution Authorizing Inter-Fund Loan.

Moegerle made a motion to adopt HRA Resolution 2011-05 A Resolution Authorizing Inter-Fund Loan. DeRoche seconded. Voss asked what is the loan amount. Hanson said it was determined at the time not to be specific. She asked the city administrator to explain.

Davis said it is a maximum amount of \$163,000, to be determined at the next EDA meeting. Voss said he is curious why we have a resolution for a loan, but no loan amount. Boyer asked have we collected these funds. Vierling asked has the county paid us the funds. Davis said as far as our bond funds we had to send Anoka County a W-9 and we thought we would have the funds by the 1st of the week. Boyer said but there is a court order. He said we could adjust this either way at the EDA meeting. Davis said or you could add a not to exceed to the resolution of \$163,000. Boyer said he could accept that. He asked to have the resolution amended adding a #5. The maximum amount is \$163,000. **Moegerle amended her motion adding under Now, therefore... #5. The maximum amount is \$163,000. DeRoche seconded the amendment.**

Lawrence asked is there any problem with us not taxing? Does it limit our ability with the HRA? Vierling said you can skip the levy every other year and not have an issue. Boyer said he wonders if we can do a minimum amount like 1%. Vierling said you can have your EDA do some of the HRA functions. Davis said yes. You do have an EDA with HRA powers. Boyer said he was just trying to cover all the bases. He thought Lawrence had a good point. **All in favor, motion carries.**

2012 Draft
HRA
Budget

Hanson explained that per MN State Statute 469.033, subdivision 6, the East Bethel HRA must each year formulate and file a budget in accordance with the budget procedure of the City in the same manner as required of executive departments of the City.

City staff has prepared a 2012 HRA Budget based on previous HRA budgets. Attachments 1 & 2 are the 2012 narrative and 2012 proposed budget.

The HRA currently contracts with the City for administrative support staff services to support the administrative undertakings, including fiscal support services of the HRA and such other responsibilities such as recording and maintaining accurate records of the meetings of the HRA and of all official actions taken by or on behalf of the HRA. The proposed 2012 Budget includes a transfer of \$15,000 to City General Fund to support the Executive Director, City Planner, Fiscal and Services Support Director, and Administrative Support staff. This number is based on one day a month for both the City Planner and Administrative support staff. It also includes one day a quarter for the City Administrator/Executive Director and the Fiscal and Services Support Director.

Boyer made a motion to approve the 2012 HRA budget as submitted. Lawrence seconded. Moegerle asked when will we have programs through the HRA? And when will we have projects. She said she heard that Coon Lake Beach needs help with their septic and wells. That would be a project. She loves to have money in the black, but there are needs out there. DeRoche asked about the parameters of the projects, what are the perimeters set up on how the projects get done.

Boyer said we had a proposal for senior housing seven or eight years ago. A group came in and bought property from the church, but they never started. He said they wanted to build a large three-story with about 48 units. Boyer said they were quite serious about doing it. He said the seniors from East Bethel have to leave here and move to Wyoming, Forest Lake and even Cambridge to find senior housing. Moegerle said it sounds like there isn't a need for projects. It is just, maybe, a time frame. Boyer said we had a discussion about putting this in City Center.

Davis said what we have to do is determine the need for the projects and then submit applications for grants. Hanson said this is all part of our Housing Plan. She said part of the

Livable Communities Program. Boyer said one thing we could look at is acquiring the land by the church site and then finding a developer to trade it for more suitable land for the senior housing.

Boyer said now we are spending \$37,100 a year for HRA and not taxing for it. He said he realizes the EDA is repaying a loan, but does this not put it in a deficit situation. Moegerle said this is for HRA things. Why would EDA pay for it. Boyer said we are not taxing for the HRA. Now we will be in a deficit. Moegerle said we have \$700,000+ in the HRA. Correct. Davis said \$200,000 of that goes back into the escrow for equipment replacement. Boyer said if all we are paying for is staff, legal and office supplies for the HRA, it seems like all we are paying for is inactivity. Davis said initially we have to pay staff time to develop what we are going to do, to develop the projects, and then we can pay for the projects. Moegerle said you have to plan for the projects. So she doesn't see this as dormancy. Lawrence said you have to plan these things for them to happen. Boyer said so you are saying let's just move forward and do something with the money. That will alleviate his concerns for the money. **All in favor, motion carries.**

Setting
Property
Tax Levy
for 2012

Boyer made a motion to approve HRA Resolution 2011-06 Setting Property Tax Levy for 2012. Moegerle seconded; all in favor, motion carries.

Draft
Housing
Plan

Hanson explained that as part of the Livable Communities Program to be eligible to apply for grants, the City HRA must prepare a Housing Action Plan (HAP) identifying how the City will address its housing goals. An approved HAP must be submitted to Metropolitan Council 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 grant program at your request.

On April 6, 2011 HRA directed staff to prepare a draft HAP for review at the July 6 HRA meeting. Attached is a draft of the plan. Staff has been working with the Metropolitan Council regarding the information required for the document. Also, staff has forwarded the draft HAP to the Metropolitan Council for review in which staff has yet to receive comments.

Hanson said a final document will be presented to the HRA at the October 5, 2011 meeting. She explained that she has taken the 2010 census data and is going to incorporate it into the HAP. Hanson said there are tables in the copy that you have that are going to come out of it such as page 3 has a table (housing median value) that will be updated, etc. Moegerle asked "In Table 7 the growth projections; are we going to look at these? Were these ours or Met Councils?" Hanson said these are Met Council's. Boyer said there is generally a self serving need to underestimate. Hanson said on Table 7 those are projections that the Met Council and the city came up with when we were working on our 2010 plan.

Moegerle asked on page 5 the Goals, are they listed in order of priority? Hanson said these are taken from the comp plan and she doesn't think they were done in any kind of order. Moegerle asked to have number 7 deleted, from the Housing Action Plan. She asked: some of these we have accomplished, haven't we? Hanson said most of these are ongoing. Moegerle said and we are doing this Housing Action Plan so we can participate in the Livable Communities Program. Hanson said yes, it is a requirement.

Hanson said the next step is to get the changes in here and at the next meeting in October hopefully we will have the section in funding sources from the county sources and then it will be complete. Moegerle said so it will be done well in advance. Hanson said yes.

Adjourn **Moegerle made a motion to adjourn the HRA meeting at 6:58 PM. DeRoche seconded; all in favor, motion carries.**

Attest:

Wendy Warren
Deputy City Clerk