

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

**AGENDA**

**December 14, 2021  
9:45 a.m.**

1. Call to Order
2. Approve Minutes of September 7, 2021 Meeting
3. HRA MCPP Application (21-07)

Adjourn:

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

Tuesday, September 7, 2021

The St. Louis County Housing and Redevelopment Authority (HRA) met this 7<sup>th</sup> day of September 2021, at 9:56 a.m., at the St. Louis County Government Services Center, Duluth, Minnesota, with the following members present: Commissioners Frank Jewell, Patrick Boyle, Ashley Grimm, Paul McDonald, Keith Musolf, Keith Nelson, and Mike Jugovich - 7. Absent: None - 0.

Commissioner McDonald, supported by Commissioner Jugovich, moved to approve the minutes from the July 13, 2021, HRA meeting. The motion passed; seven yeas, zero nays.

Commissioner McDonald, supported by Commissioner Musolf, moved that the HRA Board certifies the FY2022 HRA levy in the amount of \$230,288; and 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. 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 Director Matt Johnson noted that the proposed 20220 HRA budget of \$430,288 includes \$230,288 of levy funding and \$200,000 of existing HRA funds that are set aside for projects or emergencies. Director Johnson commented that HRA priorities will be discusses at a future County Board workshop. Administrator Kevin Gray noted that the 5.94% levy increase is in line with the county levy increase. After further discussion, the motion passed; seven yeas, zero nays. HRA Resolution No. 21-06.

**HRA RESOLUTION No. 21-06**

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.

Unanimously adopted September 7, 2021.

At 10:05 a.m., September 7, 2021, Commissioner Jugovich, supported by Commissioner Jewell, moved to adjourn the meeting. The motion passed; seven yeas, zero nays.

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Keith Nelson, Chair of the St. Louis County HRA

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

# **HRA BOARD LETTER NO. 21 - 07**

**DATE:** December 14, 2021

**RE:** Minnesota Housing Finance  
Agency Minnesota City  
Participation Program

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

## **RELATED DEPARTMENT GOAL:**

To encourage, maintain, and expand economic and housing development opportunities and expand the property tax base in the HRA service area.

## **ACTION REQUESTED:**

The HRA Board is requested to authorize application to participate in the Minnesota Housing Finance Agency - Minnesota City Participation Program.

## **BACKGROUND:**

The Minnesota Housing Finance Agency (Minnesota Housing) has issued a request for applicants to participate in the Minnesota City Participation Program (MCPPE). The program uses the Tax-Exempt Bond Housing Pool Allocation authorized by the Office of Minnesota Management and Budget enabling cities and counties to provide first-time homebuyer loans in their communities. Under the MCPPE, Minnesota Housing sells bonds on behalf of local governments to assist them in meeting local housing goals.

The benefits of participating in the MCPPE are as follows:

- Lower interest rate and closing costs
- No administrative fees charged to participating communities

The bond proceeds supply funding for home mortgage loans available to low- and moderate-income, first-time home buyers. The program is administered entirely by Minnesota Housing. St. Louis County citizens access funding from approved mortgage originators throughout the county.

St. Louis County has historically been one of the higher volume users of MCPPE funding in the state. County mortgage originators have accessed greater than \$96.5 million to assist 908 families since 2004. During 2021, the county's originators processed 110 loans and accessed \$13.5 million in mortgage funding. The county's 2021 allocation was \$2.9 million, meaning local loan originators accessed unused funding from other areas of the state to achieve a usage rate of 468 percent. There are no penalties or fees associated with under or over usage of MCPPE funding. The income limit for a four-person household is currently \$107,000 and the purchase price limit throughout St. Louis County is \$311,900. Attached are reports on St. Louis County and statewide usage of the MCPPE program.

**RECOMMENDATION:**

It is recommended that the HRA Board adopt the attached resolution authorizing submission of an application to participate in the Minnesota Housing - MCPP.

**HRA BOARD RESOLUTION NO.**

**Minnesota Housing Finance Agency - Minnesota City Participation Program**

BY COMMISSIONER\_\_\_\_\_

WHEREAS, The Minnesota Housing Finance Agency (Minnesota Housing) has issued a request for applicants to participate in the Minnesota City Participation Program (MCPPE); and

WHEREAS, The St. Louis County Housing and Redevelopment Authority (HRA) is an eligible applicant and HRA participation in the MCPPE is consistent with the mission and vision of the HRA; and

WHEREAS, Minnesota Housing's acceptance of the HRA application will provide affordable mortgage financing to first-time home buyers throughout St. Louis County.

THEREFORE, BE IT RESOLVED, That the HRA Board approves applying to Minnesota Housing for the 2022 MCPPE and authorizes the Executive Director to submit the application.

RESOLVED FURTHER, That upon acceptance of the application by the Minnesota Housing Finance Agency, the HRA Board authorizes the Executive Director and a representative of the County Attorney to execute all the necessary documents related thereto.

2021 MCPP Usage Report 1.16.2021 - 11.30.2021 (Applies to Start Up Program Loans Only)

For Informational Purposes Only

						**Additional Start Up Loans		Step Up Loans		Total Loan Activity		Downpayment and Closing Cost Loans	
Applicant Name	Allocation Amount	Committed Loans	Committed Amount	*Usage Test	% of Usage	Committed Loans	Committed Amount	Committed Loans	Committed Amount	Committed Loans	Committed Amount	% of First Mortgage Loans	Total Amount of Downpayment Loans
Albert Lea/Freeborn Co.	\$ 438,804.87	15	\$1,757,138.00	MET	400%	3	\$ 482,811.00	0	\$ -	18	\$2,239,949.00	100%	\$ 162,000.00
Alexandria	\$ 204,575.21	3	\$404,556.00	MET	198%	3	\$ 610,166.00	2	\$ 331,824.00	8	\$1,346,546.00	100%	\$ 87,200.00
Anoka	\$ 5,240,801.87	288	\$69,985,446.00	MET	1335%	92	\$ 24,421,680.00	103	\$ 29,538,697.00	483	\$123,945,823.00	98%	\$ 5,971,475.00
Becker	\$ 499,226.52	8	\$1,371,319.00	MET	275%	1	\$ 225,834.00	0	\$ -	9	\$1,597,153.00	100%	\$ 98,335.00
City of Blue Earth	\$ 100,000.00	4	\$473,159.00	MET	473%	1	\$ 241,250.00	0	\$ -	5	\$714,409.00	340%	\$ 38,600.00
County of Blue Earth	\$ 991,053.89	31	\$5,546,590.00	MET	560%	5	\$ 991,230.00	6	\$ 1,229,054.00	42	\$7,766,874.00	7%	\$ 449,472.00
Bluff Country HRA	\$ 573,521.61	9	\$1,069,180.00	MET	186%	5	\$ 888,283.00	3	\$ 554,975.00	17	\$2,512,438.00	241%	\$ 179,900.00
Breckenridge	\$ 100,000.00	1	\$104,104.00	MET	104%	1	\$ 210,460.00	1	\$ 210,221.00	3	\$524,785.00	100%	\$ 29,800.00
Carver	\$ 1,548,895.63	29	\$6,554,398.00	MET	423%	5	\$ 1,131,326.00	8	\$ 2,533,474.00	42	\$10,219,198.00	131%	\$ 514,333.00
Chippewa	\$ 171,365.70	2	\$140,340.00	MET	82%	1	\$ 139,041.00	0	\$ -	3	\$279,381.00	167%	\$ 29,000.00
Chisago	\$ 818,141.88	35	\$8,623,487.00	MET	1054%	11	\$ 3,050,863.00	9	\$ 2,494,907.00	55	\$14,169,257.00	124%	\$ 708,400.00
Clay County/Moorhead	\$ 933,435.82	43	\$8,074,314.00	MET	865%	19	\$ 4,086,263.00	6	\$ 1,518,872.00	68	\$13,679,449.00	18%	\$ 722,570.00
Cloquet	\$ 178,822.67	7	\$1,098,271.00	MET	614%	2	\$ 211,800.00	3	\$ 548,511.00	12	\$1,858,582.00	333%	\$ 125,300.00
Crow Wing	\$ 943,306.19	23	\$3,955,034.00	MET	419%	4	\$ 801,332.00	6	\$ 1,271,419.00	33	\$6,027,785.00	94%	\$ 349,600.00
Grant	\$ 100,000.00	2	\$288,595.00	MET	289%	0	\$ -	0	\$ -	2	\$288,595.00	100%	\$ 16,600.00
Headwaters Regional Dev. Commission	\$ 1,254,576.71	6	\$733,152.00	MET	58%	4	\$ 715,543.00	3	\$ 643,996.00	13	\$2,092,691.00	77%	\$ 120,725.00
Hennepin	\$ 12,198,440.08	461	\$109,591,637.00	MET	898%	123	\$ 32,301,371.00	150	\$ 43,067,944.00	734	\$184,960,952.00	98%	\$ 9,112,525.00
Isanti	\$ 586,238.91	44	\$10,145,061.00	MET	1731%	15	\$ 3,843,343.00	18	\$ 4,798,663.00	77	\$18,787,067.00	97%	\$ 944,255.00
Kandiyohi	\$ 624,202.96	18	\$2,484,169.00	MET	398%	3	\$ 419,442.00	2	\$ 357,700.00	23	\$3,261,311.00	74%	\$ 179,700.00
McLeod	\$ 519,718.73	17	\$3,449,646.00	MET	664%	4	\$ 763,491.00	5	\$ 1,229,120.00	26	\$5,442,257.00	100%	\$ 306,900.00
Mower	\$ 579,851.36	82	\$10,849,835.00	MET	1871%	10	\$ 1,482,302.00	3	\$ 459,295.00	95	\$12,791,432.00	100%	\$ 984,550.00
New Ulm	\$ 195,991.03	6	\$871,366.00	MET	445%	0	\$ -	2	\$ 332,898.00	8	\$1,204,264.00	100%	\$ 89,000.00
North Mankato	\$ 203,968.25	4	\$632,368.00	MET	310%	2	\$ 467,910.00	1	\$ 171,950.00	7	\$1,272,228.00	100%	\$ 70,020.00
NW MN Multi-Co. HRA	\$ 1,230,673.95	10	\$1,374,686.00	MET	112%	5	\$ 713,567.00	5	\$ 822,232.00	20	\$2,910,485.00	100%	\$ 185,834.00
Oakdale	\$ 403,629.96	32	\$6,819,281.00	MET	1689%	7	\$ 1,666,262.00	10	\$ 3,525,613.00	49	\$12,011,156.00	100%	\$ 625,456.00
Olmsted	\$ 2,318,466.08	110	\$23,125,230.00	MET	997%	34	\$ 7,516,869.00	29	\$ 7,188,659.00	173	\$37,830,758.00	97%	\$ 1,974,930.00
Otter Tail	\$ 848,793.48	14	\$1,743,761.00	MET	205%	2	\$ 324,702.00	1	\$ 288,674.00	17	\$2,357,137.00	100%	\$ 166,211.00
Owatonna/Steele County	\$ 536,323.48	27	\$4,631,331.00	MET	864%	9	\$ 1,489,880.00	10	\$ 2,371,949.00	46	\$8,493,160.00	100%	\$ 518,575.00
Ramsey	\$ 3,501,927.03	118	\$26,782,898.00	MET	765%	32	\$ 8,072,794.00	28	\$ 7,517,141.00	178	\$42,372,833.00	97%	\$ 2,180,075.00
Red Wing	\$ 237,625.76	21	\$3,704,917.00	MET	1559%	2	\$ 297,785.00	5	\$ 1,103,407.00	28	\$5,106,109.00	100%	\$ 303,950.00
Rice	\$ 966,125.08	32	\$6,123,539.00	MET	634%	9	\$ 1,922,189.00	8	\$ 2,150,104.00	49	\$10,195,832.00	100%	\$ 587,495.00
Sartell	\$ 276,124.51	9	\$1,829,889.00	MET	663%	2	\$ 492,500.00	8	\$ 1,950,400.00	19	\$4,272,789.00	763%	\$ 239,050.00
Scott	\$ 2,145,438.45	63	\$15,502,912.00	MET	723%	20	\$ 5,380,885.00	23	\$ 7,225,347.00	106	\$28,109,144.00	18%	\$ 1,287,230.00
SE MN Multi-Co. HRA	\$ 1,086,722.72	31	\$5,360,797.00	MET	493%	5	\$ 1,192,269.00	4	\$ 904,294.00	40	\$7,457,360.00	258%	\$ 439,228.00
Sherburne	\$ 1,301,356.16	59	\$13,861,360.00	MET	1065%	21	\$ 5,607,573.00	42	\$ 11,931,030.00	122	\$31,399,963.00	33%	\$ 1,600,645.00
St Cloud	\$ 990,273.51	106	\$17,783,629.00	MET	1796%	10	\$ 1,708,592.00	22	\$ 4,701,410.00	138	\$24,193,631.00	88%	\$ 1,553,823.00
St Joseph	\$ 106,102.80	5	\$1,059,329.00	MET	998%	1	\$ 252,200.00	4	\$ 1,045,638.00	10	\$2,357,167.00	1360%	\$ 131,000.00
St Louis	\$ 2,885,397.80	110	\$13,515,829.00	MET	468%	13	\$ 2,234,468.00	30	\$ 4,506,504.00	153	\$20,256,801.00	0%	\$ 1,461,413.00
Stevens	\$ 141,133.20	5	\$655,340.00	MET	464%	1	\$ 106,700.00	1	\$ 127,070.00	7	\$889,110.00	86%	\$ 52,400.00
SW Regional Dev. Commission	\$ 1,679,985.05	39	\$4,336,252.00	MET	258%	6	\$ 1,040,080.00	10	\$ 1,480,292.00	55	\$6,856,624.00	100%	\$ 533,016.00
Swift	\$ 135,367.05	3	\$337,853.00	MET	250%	0	\$ -	0	\$ -	3	\$337,853.00	67%	\$ 20,800.00
Washington	\$ 3,393,468.64	101	\$24,141,303.00	MET	711%	32	\$ 8,287,060.00	42	\$ 12,572,900.00	175	\$45,001,263.00	97%	\$ 2,244,518.00
Winona	\$ 393,831.85	23	\$3,367,440.00	MET	855%	5	\$ 642,903.00	4	\$ 754,484.00	32	\$4,764,827.00	97%	\$ 321,500.00
Wright	\$ 2,001,978.57	70	\$17,140,108.00	MET	856%	25	\$ 5,963,744.00	44	\$ 12,405,807.00	139	\$35,509,659.00	99%	\$ 1,845,274.00
Totals	\$55,585,685.00	2,126	\$441,400,849.00		794%	555	\$ 132,398,763.00	661	\$ 175,866,475.00	3,342	\$ 749,666,087.00	99%	\$ 39,562,683.00

\*Participants must use at least 50% of their allocation by the end of the program year in order to participate next year.

\*\*Not MCPP Eligible. Borrower income is above 80% of Area Median Income.

**Minnesota Housing Finance Agency  
Minnesota City Participation Program Allocations**

	Bond Issuance	Allocation	Commitment Fee (refundable)	Processing Fee (non-refundable)	Actual Usage	Percent Usage	Number of Loans	Average Loan
2004 Duluth	\$ 46,509,000	\$ 1,245,441	\$ 12,454.41	\$ 260	\$ 1,977,470	159%	18	\$ 109,859
2005 SLC	\$ 41,850,000	\$ 3,575,018	\$ 35,750.18	\$ 760	\$ 4,190,885	117%	43	\$ 97,462
2006 SLC	\$ 92,121,560	\$ 2,864,468	\$ 28,644.68	\$ 580	\$ 8,877,023	310%	95	\$ 93,442
2007 SLC	\$ 45,042,380	\$ 2,651,719	\$ 26,517.19	\$ 520	\$ 3,489,716	132%	30	\$ 116,324
2008 SLC	\$ 45,308,360	\$ 3,099,913	\$ 30,999.13	\$ 620	\$ 3,010,809	97%	33	\$ 91,237
2009 SLC	Program suspended - inability to issue mortgage revenue bonds							
2010 SLC	\$ 48,606,760	\$ 2,971,287	n/a	n/a	\$ 2,158,223	73%	22	\$ 98,101
2011 SLC	\$ 51,674,520	\$ 3,099,522	n/a	n/a	\$ 529,519	17%	6	\$ 88,253
2012 SLC	\$ 52,073,490	\$ 3,251,580	n/a	n/a	\$ 3,221,411	99%	32	\$ 100,669
2013 SLC	\$ 52,407,321	\$ 3,257,550	n/a	n/a	\$ 5,424,112	167%	52	\$ 104,310
2014 SLC	\$ 55,588,572	\$ 3,427,708	n/a	n/a	\$ 5,198,023	152%	53	\$ 98,076
2015 SLC	\$ 55,965,866	\$ 3,429,118	n/a	n/a	\$ 6,363,121	186%	62	\$ 102,631
2016 SLC	\$ 56,298,352	\$ 3,496,783	n/a	n/a	\$ 5,343,447	153%	52	\$ 102,759
2017 SLC	\$ 56,609,709	\$ 3,147,222	n/a	n/a	\$ 5,509,727	175%	53	\$ 103,957
2018 SLC	\$ 60,050,215	\$ 3,417,934	n/a	n/a	\$ 8,157,706	239%	78	\$ 104,586
2019 SLC	\$ 60,422,570	\$ 3,251,967	n/a	n/a	\$ 8,171,869	251%	73	\$ 111,943
2020 SLC	\$ 52,892,965	\$ 2,788,101	n/a	n/a	\$ 13,402,678	481%	110	\$ 121,843
2021 SLC	\$ 55,585,685	\$ 2,885,398	n/a	n/a	\$ 13,515,829	468%	110	\$ 122,871
Total	\$ 929,007,325	\$ 51,860,729			\$ 98,541,568		922	