

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

AGENDA

**September 13, 2022
9:35 a.m.**

1. Call to Order
2. Approve Minutes of February 22, 2022 Meeting
3. HRA FY2023 Budget and Property Tax Levy (22-04)

Adjourn:

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

Tuesday, February 22, 2022

The St. Louis County Housing and Redevelopment Authority (HRA) meeting was called to order at 9:46 a.m., at the Gilbert City Hall, Gilbert, Minnesota, with the following members present: Commissioners Frank Jewell, Ashley Grimm, Paul McDonald, Mike Jugovich and Chair Keith Nelson - 5 Absent: Commissioners Patrick Boyle and Keith Musolf - 2.

Commissioner Jugovich, supported by Commissioner McDonald, moved to approve the minutes from the January 4, 2022, HRA meeting. The motion passed; five yeas, zero nays, two absent (Boyle, Musolf).

Commissioner Jugovich, supported by Commissioner McDonald, moved that the St. Louis County Housing and Redevelopment Authority (HRA) Board 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 Burnett Addition Phase 2; 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; and further, that funds as needed be transferred from HRA fund balance and be paid from HRA Fund 250, Agency 251001. HRA Executive Director Matt Johnson said that Phase 1 was approved by the Board in July; the project includes 8 residential sites. The motion passed; five yeas, zero nays, two absent (Boyle, Musolf). HRA Resolution No. 21-02.

Commissioner Jugovich, supported by Commissioner McDonald, moved that the St. Louis County Housing and Redevelopment Authority (HRA) Board determines that the redevelopment request from the Chisholm HRA constitutes part of an urban renewal project and authorizes the Executive Director and County Attorney to negotiate a \$135,000 grant funding agreement contingent upon receipt of authorizing resolutions by the City of Chisholm City Council and the Chisholm HRA Board of Commissioners; 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; and further, that funds as needed be transferred from HRA fund balance and be paid from HRA Fund 250, Agency 251001. HRA Executive Director Matt Johnson commented that the Chisholm HRA manages 155 rental units of which 109 are HUD subsidized. The project includes rehabilitation of one building that consists of eight units. The total project cost is \$398,500. The motion passed; five yeas, zero nays, two absent (Boyle, Musolf). HRA Resolution No. 21-03.

HRA RESOLUTION No. 22-02

WHEREAS, The City of Buhl has requested \$75,000 from the St. Louis County Housing and Redevelopment Authority (HRA) for Phase 2 development of the Burnett Addition; and

WHEREAS, The City of Buhl by HRA Board Resolution 21-05, dated July 13, 2021 received \$75,000 for Phase 1 development of Burnett Addition and has experienced additional cost to complete the development; 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 St. Louis County Housing and Redevelopment Authority (HRA) Board 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 Burnett Addition Phase 2.

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 February 22, 2022.

HRA RESOLUTION No. 22-03

WHEREAS, The Chisholm Housing and Redevelopment Authority (Chisholm HRA) has requested \$135,000 from the St. Louis County Housing and Redevelopment Authority (HRA) for rehabilitation of eight units at the Mapleview Apartments site; and

WHEREAS, Rehabilitation activities will return the units to health, safety and occupancy standards enabling occupancy by low-income households; 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 St. Louis County Housing and Redevelopment Authority (HRA) Board determines that the redevelopment request from the Chisholm HRA constitutes part of an urban renewal project and authorizes the Executive Director and County Attorney to negotiate a \$135,000 grant funding agreement contingent upon receipt of authorizing resolutions by the City of Chisholm City Council and the Chisholm HRA Board of Commissioners.

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 February 22, 2022.

At 9:53 a.m., February 22, 2022, Commissioner McDonald, supported by Commissioner Jewell, moved to adjourn the meeting. The motion passed; five yeas, zero nays, two absent (Boyle, Musolf).

Keith Nelson, Chair of the St. Louis County HRA

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

HRA BOARD LETTER NO. 22 - 04

DATE: September 13, 2022

RE: St. Louis County HRA FY2023
Budget and Property Tax Levy

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

RELATED DEPARTMENT GOAL:

To expand affordable housing opportunities, maximizing financial resources, and promoting 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 FY2023 budget and to certify the maximum proposed property tax levy for FY2023.

BACKGROUND:

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 all of St. Louis County except where municipal HRAs are established. The County HRA may also operate in communities with a municipal HRA through invitation by the local jurisdiction. There are 11 other HRA's in St. Louis County: Aurora, Biwabik, Chisholm, Cook, Duluth, Ely, Eveleth, Gilbert, Hibbing, Mountain Iron, and Virginia.

The county's Planning and Community Development Department provides staffing to the county HRA and coordinates HRA activities with county-funded activities. HRA objectives include maintaining and expanding affordable housing opportunities, strengthening communities through redevelopment and revitalization activities, and maximizing financial resources.

2022 HRA Budget Summary

Table 1 provides an estimate for St. Louis County's 2022 year-end fund balance. The year began with the 2021 year-end fund balance of \$875,333. The HRA Levy for 2022 was set \$230,288. Currently for 2022, the HRA has four approved projects (Hibbing HRA, Chisholm HRA, Buhl Phase 2 and the United Way) and one potential pending project (Aurora Market). The other budgeted expenses total \$430,288 which includes HRA administrative expenses, funds for HRA Board approved projects, and an Emergency Reserve amount of \$200,000. These expenses total \$951,688 for the HRA in 2022. This leaves an estimated year-end fund balance of \$153,933 for December 31, 2022.

Table 1
Estimated St. Louis County
HRA Year-end 2022 Fund Balance

2021 HRA Year-End Fund Balance	\$875,333.00
2022 HRA Board Approved Levy	\$230,288.00
2022 HRA Estimated Expenses	
<i>HRA Approved Projects</i>	
Hibbing HRA (New Haven Apts)	\$150,000.00
Chisholm HRA	\$135,000.00
Buhl Phase 2	\$75,000.00
United Way	\$11,400.00
 <i>HRA Pending Projects</i>	
East Range Aurora Market (pending)	\$150,000.00
 <i>2022 HRA Budget</i>	
Personnel Services	\$140,000.00
Operating-Projects	\$87,790.66
Legal	\$2,497.34
Emergency Reserve	<u>\$200,000.00</u>
Total HRA 2022 Estimated Expenses	\$951,688.00
 2022 Estimated Year-End Fund Balance	 \$153,933.00

2023 HRA Proposed Levy

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, 2022. The HRA has exercised the authority to levy since 1990.

- **Levy:** The HRA tax levy for FY2023 is proposed at a 0% increase from 2022, for a total of \$230,288. 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.

2023 HRA Proposed Budget

Table 2 provides an overview of the St. Louis County HRA proposed 2023 budget.

- **Budget:** The proposed FY2023 HRA budget is \$430,288. This includes \$90,000 for HRA personnel; \$137,717.48 for HRA operation-projects; \$2,570.52 for legal services; and \$200,000 for the Emergency Reserve.

Table 2
Proposed St. Louis County
HRA 2023 Budget and Estimated Year-End Balance

2022 HRA Estimated Year-End Fund Balance	\$153,933.00
2022 HRA Estimated Budget Savings*	\$250,000.00
*Unused HRA Emergency Reserve, Personnel, Operating-Project Funds	
2023 HRA Board Proposed Levy	<u>\$230,288.00</u>
Total Estimated HRA Funds for 2023	\$634,221.00
2023 HRA Budgeted Expenses	
Personnel Services	\$90,000.00
Operating-Projects	\$137,717.48
Legal	\$2,570.52
Emergency Reserve	<u>\$200,000.00</u>
Total HRA 2023 Estimated Expenses	\$430,288.00
2023 Estimated Year-End Fund Balance	\$203,933.00

RECOMMENDATION:

It is recommended the HRA Board approve the FY2023 proposed budget of \$430,288 and certify the property tax levy for FY2023 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 FY2023 HRA levy in the amount of \$230,288.

HRA BOARD RESOLUTION NO.

St. Louis County HRA FY2023 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 FY2023 budget and levy.

THEREFORE, BE IT RESOLVED, The HRA Board certifies the FY2023 HRA levy in the amount of \$230,288.

RESOLVED FURTHER, The HRA Board approves the FY2023 HRA budget in the amount of \$430,288 with \$230,288 funded from the levy and \$200,000 funded from the 2022 estimated HRA existing fund balance.

RESOLVED FURTHER, The HRA Board requests that the St. Louis County Board of Commissioners certify the FY2023 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 Administration ¹	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Proposed	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	90,000.00	90,000.00	90,000.00	90,000.00
	Operating-Projects	58,614.32	59,658.32	65,786.07	67,319.69	71,446.21	73,347.97	87,790.66	137,717.48	137,630.03	137,535.33	137,433.67
	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
	Emergency Reserve -Hsg Activities ²	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	Budget	Proposed	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
									0% 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.

Fund 250 HRA Fund Balance 12-31-21 875,333.00

Projected 2022 Activity

Approved Projects:

Hibbing HRA (150,000.00) *HRA Board Res 21-04 New Haven Court Apts*
 Chisholm HRA (135,000.00) *HRA Board Res 22-03*
 Buhl Phase 2 (75,000.00) *HRA Board Res 22-02 - PO 19090*
 United Way (11,400.00)

HRA Pending Projects:

East Range Aurora Market (150,000.00)

2022 Approved HRA Budget

Personnel (140,000.00)
 Operating-Projects (87,790.66)
 Legal (2,497.34)
 Emergency Reserve (200,000.00)

2022 Approved HRA Levy 230,288.00

Estimated Fund Balance 12/31/22 153,933.00

Estimated 2022 HRA Expense Budget Savings 250,000.00 Unspent Emergency Reserve (\$200,000) and HRA Admn savings (\$50,000)

HRA 2023 Proposed Budget:

Personnel (90,000.00)
 Operating-Projects (137,717.48)
 Legal (2,570.52)
 Emergency Reserve (200,000.00)

2023 Proposed HRA Levy 230,288.00

Projected Fund Balance 12/31/23 203,933.00