

1. Agenda

Documents:

[1_AGENDA HRA 2021-07-14.PDF](#)
[AGENDA PACKET - HRA MEETING - 07-14-2021.PDF](#)



Housing and Redevelopment Authority Meeting Agenda
Council Chambers, Woodbury City Hall
July 14, 2021 | 7:10 p.m.

This HRA meeting is taking place virtually and at Woodbury City Hall in the Council Chambers. Members of the public may attend the meeting in person and may also join the meeting using a PC, Mac, iPad, iPhone or Android device.

[Watch the Live Meeting](#)

Public comments will be accepted during the meeting both in person and by using the link to the virtual meeting to join the meeting and then submit your questions via the online Q&A feature within the meeting.

Please note that all agenda times are estimates.

7:10 p.m. 1. Call to Order

7:11 p.m. 2. Roll Call

7:12 p.m. 3. Consent Agenda

All items listed under the consent agenda are considered to be routine by the HRA Board and will be enacted by one motion and an affirmative vote by roll call of a majority of the members present. There will be no separate discussion of these items unless a Commissioner or citizen so requests, in which event, the items will be removed from the consent agenda and considered a separate subject of discussion by the Board.

A. Approval of Minutes – January 27, 2021 HRA Meeting

B. Approval of 2020 Year-End HRA Financial Statements 21-04

Staff recommends HRA adopt a motion approving the HRA's 2020 Year-End Financial Statements.

7:13 p.m. 4. Public Hearings – No items

7:14 p.m. 5. Discussion Agenda

A. Approval of HRA Fund Policy 21-05

Staff recommends HRA adopt **HRA Resolution 21-03** adopting HRA Directive HRAD-1.5: HRA Fund Policy.

7:25 p.m. 6. Adjournment

The City of Woodbury HRA is subject to Title II of the Americans with Disabilities Act which prohibits discrimination on the basis of disability by public entities. The HRA is committed to full implementation of the Act to our services, programs, and activities. Information regarding the provision of the Americans with Disabilities Act is available from the Executive Director's office at 651-714-3523. Auxiliary aids for disabled persons are available upon request at least 72 hours in advance of an event. Please call the ADA Coordinator, Clinton P. Gridley at 651-714-3523 (TDD 651-714-3568) to make arrangements.



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Woodbury Housing and Redevelopment Authority Minutes

January 27, 2021

Public Hearings

No items scheduled

Discussion

A. Approving Carryovers to the 2021 HRA Budget

Community Development Coordinator Karl Batalden shared that \$72,110 in loans from the Housing and Redevelopment Authority's Neighborhood Reinvestment Fund were issued in late 2020 connected to projects where construction is not yet complete. Staff is requesting that these funds be carried forward to the 2021 Housing and Redevelopment Authority Fund budget.

Member Date arrived and took her place at the dais at 7:14 p.m.

Member Morris moved, seconded by Member Santini,

To adopt the following resolution

Resolution 21-02

Resolution of the Housing & Redevelopment Authority of the City of Woodbury, Washington County, Minnesota authorizing \$72,110 to be carried forward to the 2021 HRA budget.

Voting via voice:

Kim Wilson – aye
Andrea Date – aye
Steve Morris – aye
Jennifer Santini - aye
Anne Burt – aye

Adjournment

Mayor Burt moved, seconded by Member Morris, to adjourn the January 27, 2021 Housing & Redevelopment Authority meeting.

Voting in Favor: Wilson, Date, Morris, Santini, Burt
Absent: None

Chair Burt adjourned the meeting at 7:15 p.m.

Anne W. Burt

Approved by the Woodbury Housing and Redevelopment Authority on July 14, 2021.

**City of Woodbury, Minnesota
Office of the HRA Executive Director**

HRA Letter 21-04

July 14, 2021

To: The Honorable Chair and Commissioners of the HRA
From: Clinton P. Gridley, HRA Executive Director
Subject: Approval of 2020 Year-End HRA Financial Statements

Summary

The final audited year-end financial statements of the Housing and Redevelopment Authority in and for the City of Woodbury (HRA) dated December 31, 2020 are attached for the review of the HRA Board of Commissioners. Staff has no findings, concerns or reservations regarding the statements.

Recommendation

Staff recommends that the HRA approve via motion the attached final audited year-end financial statements of the HRA dated December 31, 2020.

Fiscal Implications

A nuance in the 2020 statements is identified in the note on the balance sheet tab of the statements. Specifically, the “Due To Other Governments” and “Cash and Investments” line items include \$619,768 for the pass-through conduit bond fee/deposit to Minnesota Management and Budget (MMB). The cash was wired to MMB on 1/4/2021. Year-end statements are based on a snapshot in time and the timing of this pass-through may make it appear as though the HRA has a greater amount of cash on-hand than it in fact does.

Policy

Section 4.2 of the HRA By-Laws requires that “the Authority shall periodically examine the statement, together with the check register. If the Authority finds that the statement and register are correct, it shall approve them.” The proposed action complies with this section of the By-Laws.

Public Process

This is the first public process for this item.

Background

As noted in the Fiscal Implications section above, the HRA received a \$619,768 deposit from Dominion in December 2020. Dominion is the developer of the proposed apartment project known as The Grove which was approved by City Council per project 29-2019-0036 on November 6, 2019. To finance The Grove, the HRA attempted to secure an allocation of bonding authority of private activity bonds from the State of Minnesota via MMB's annual January housing bond lottery system. The HRA was required to submit an application not later than January 4, 2021 and the application was required to include fees and deposits in an aggregate amount of \$619,768. These funds were wired to the HRA by Dominion at the end of December 2020 and then in turn wired to MMB in early January 2021. The attached memo from Sofia Lykke, the HRA's bond counsel at Kennedy and Graven, provides additional detail regarding this topic.

The HRA was not successful in obtaining an allocation of bond authority from MMB in January 2021. As such, the deposit was returned to Dominion and the HRA will attempt to secure the bonds necessary to finance this project again later in 2021.

Written By: Karl Batalden, Community Development Coordinator
Approved Through: Janelle K. Schmitz, HRA Clerk
Judith Afdahl, HRA Treasurer
Attachments: 1. 2020 Year-End HRA Financial Statements
2. Memo from bond counsel regarding MMB deposit

WOODBURY HOUSING AND REDEVELOPMENT AUTHORITY
BALANCE SHEET
December 31, 2020

	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>Increase (Decrease)</u>
ASSETS			
Cash and Investments	\$ 2,446,363	\$ 1,748,495	\$ 697,868
Accounts Receivable	27,850	5,231	22,619
Accrued Interest Receivable	14,153	13,782	371
Taxes Receivable	1,654	1,318	336
Due from County	1,873	561	1,312
Prepaid Items	159	396	(237)
Notes Receivable - HRA Loan Programs	2,667,884	2,717,259	(49,375)
Total Assets	<u>\$ 5,159,936</u>	<u>\$ 4,487,042</u>	<u>\$ 672,894</u>
LIABILITIES			
Accounts Payable	\$ 3,122	\$ 149,372	\$ (146,250)
Due to Other Governments	619,768	-	619,768
Total Liabilities	<u>622,890</u>	<u>149,372</u>	<u>473,518</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Taxes	1,654	1,318	336
Total Deferred Inflows of Resources	<u>1,654</u>	<u>1,318</u>	<u>336</u>
FUND BALANCE			
Nonspendable:			
Prepaid Items	159	396	(237)
Restricted:			
Notes Receivable	2,682,037	2,731,041	(49,004)
Use of Fund Balance for 2021 HRA Budget	303,350	339,739	(36,389)
Available Fund Balance for HRA Activities	1,549,846	1,265,176	284,670
Total Fund Balance	<u>4,535,392</u>	<u>4,336,352</u>	<u>199,040</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 5,159,936</u>	<u>\$ 4,487,042</u>	<u>\$ 672,894</u>

* Note:

The Due To Other Governments and Cash and Investments line items include \$619,768 for the pass-through conduit bond fee/deposit to Minnesota Management & Budget. The cash was wired to Minnesota Management & Budget on 1/4/2021.

WOODBURY HOUSING AND REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUE AND EXPENDITURES
For the Period Ending December 31, 2020

	<u>Budget</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>2020 Comparison to Budget</u>
Revenues:				
Property Tax Housing Levy	\$ 247,500	\$ 250,162	\$ 249,546	\$ 2,662
Market Value Homestead Credit	-	23	25	23
Investment Income	23,100	38,401	52,256	15,301
Interest on Loans	83,500	81,631	79,303	(1,869)
LMCIT Dividends	100	127	55	27
Conduit Debt Fee	-	-	15,823	-
Miscellaneous Revenue	-	113	138	113
Total Revenues	<u>354,200</u>	<u>370,457</u>	<u>397,146</u>	<u>16,257</u>
Expenditures:				
Labor Reimbursement				
Community Development Coordinator	112,300	108,817	105,798	(3,483)
Professional Services	85,000	42,183	43,689	(42,817)
Legal	5,000	9,301	6,162	4,301
Auditing	500	500	500	-
Telephone	600	600	600	-
Postage	-	8	-	8
Marketing and Education	4,400	3,039	3,594	(1,361)
Use of Personal Auto	200	-	177	(200)
Legal Notices	100	-	126	(100)
Insurance	900	900	900	-
Dues/Subscriptions/Licenses	1,000	396	925	(604)
Travel & Training	400	30	58	(370)
Projects - Development Assistance	6,200	2,430	6,549	(3,770)
Banking Charges	-	138	138	138
Bad Debt Expenditure	-	3,075	-	3,075
Total Expenditures	<u>216,600</u>	<u>171,417</u>	<u>169,216</u>	<u>(45,183)</u>
Net increase(decrease) in fund balance	137,600	199,040	227,930	61,440
*Loan Program Activity:				
Loan Repayments - Principal	108,000	419,717	298,774	311,717
Loan Disbursements	(585,339)	(372,842)	(428,326)	(212,497)
Net increase(decrease) after loan activity	<u>\$ (339,739)</u>	<u>\$ 245,915</u>	<u>\$ 98,378</u>	<u>\$ 585,654</u>

* Note:

Loan activity included to reflect use of property tax housing levy as presented in the annual Adopted Budget document for loan programs.



Offices in
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Saint Paul
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Affirmative Action, Equal Opportunity Employer

Date: Tuesday, December 29, 2020
To: City of Woodbury
From: Sofia E. Lykke, Kennedy & Graven, Chartered
Re: Wiring Funds to Minnesota Management and Budget for Payment of Allocation Application Fee and Deposit

Pursuant to HRA Resolution 19-03, adopted by the Board of Commissioners (the “Board”) of the Housing and Redevelopment Authority in and for the City of Woodbury, Minnesota (the “Woodbury HRA” or “Issuer”) on July 17, 2020 (the “Preliminary Resolution”), the Board preliminarily approved the issuance of conduit revenue bonds (the “Bonds”) by the Woodbury HRA. Woodbury Leased Housing Associates III, LLLP (the “Borrower”) will apply the proceeds of the Bonds to the payment of a portion of the costs of the acquisition, construction, and equipping of a multifamily housing development (the “Project”) located within the City of Woodbury, Minnesota (the “City”).

In order for the Woodbury HRA to issue the Bonds, the Woodbury HRA must receive an allocation of the bonding authority of the State of Minnesota under Section 146 of the Internal Revenue Code of 1986, as amended (the “Code”). Pursuant to the Preliminary Resolution, the Board also authorized the submission of an application to Minnesota Department of Management and Budget (“MMB”) for an allocation of bonding authority in accordance with the requirements of Section 146 of the Code and Minnesota Statutes, Chapter 474A, as amended (the “Allocation Act”). The Woodbury HRA previously applied for and received an allocation of a portion of the bonding authority required to issue the Bonds. The Woodbury HRA is preparing to submit another application for an allocation of additional bonding authority from the housing pool (as defined in the Allocation Act) on or before Monday, January 4, 2021.

The Allocation Act sets forth the requirements for submitting allocation applications on forms provided MMB accompanied by, among other things, a non-refundable application fee of \$20 for each \$100,000 of bonding authority requested, rounded to the nearest \$100,000 (the “Application Fee”), and a refundable deposit in the amount of two percent (2%) of the bonding authority requested (the “Deposit”), each payable to MMB. Section 474A.03, subd. 4 and Section 474A.061, subd. 1a. The Application for Allocation of Bonding Authority for Residential Rental Projects, Form H-Rental Application Form (Revised December 2020) provides: “All issuers must pay the application fee and application deposit by separate checks or wire transfers made payable to Minnesota Management and Budget. All payments of fees and deposits must be made by the issuer (not the project developer).”

Under normal circumstances, hard copies of application materials are executed by the issuer and developer and delivered to bond counsel, and the developer obtains and delivers cashier's checks for the payment of the Application Fee and Deposit, noting the remitter on the checks as the issuer. Bond Counsel assembles all of the allocation application materials and checks in a single package and delivers such package by courier to MMB.

Because of the COVID-19 pandemic, however, there are no staff persons at the MMB office to accept allocation applications, including checks for the payment of the Application Fee and Deposit. Accordingly, the procedure for submitting allocation applications have been modified to require the electronic submission of applications and payment of the Application Fee and Deposit by wired funds. MMB will accept one wire from the Woodbury HRA representing the Application Fee and Deposit according to the following wire instructions:

Bank:	U.S. Bank St. Paul, Minnesota
ABA Routing Number:	091000022
Account Number:	180120013305
Account Name:	State of Minnesota General Account

Bond Counsel will notify MMB that the Application Fee and Deposit will be wired from the Issuer to MMB on Monday, January 4, 2021 at least one business day in advance of such date.

Dominium, the developer for the Project (the "Developer"), will be submitting funds to the City for payment of the Application Fee and Deposit. The application will request \$30,681,382 in bonding authority, and therefore the City can expect a total amount of \$619,767.64 to be delivered by the Developer, which amount is comprised of: (a) \$613,627.64 (representing two percent (2%) of the \$30,681,382 bonding authority to be requested); plus (b) \$6,140.00 (representing \$20 for each \$100,000 of bonding authority requested, rounded to the nearest \$100,000).

Following the issuance of the Bonds by the Woodbury HRA, one-half (50%) of the Deposit paid to MMB in connection with the allocation application will be refunded to the Woodbury HRA within 30 days from the issuance of the Bonds. This amount should be returned to the Developer. The second half of the refundable Deposit may be requested from MMB after the Project is complete, at which time the refunded amount will again be sent to the Woodbury HRA, and the Woodbury HRA should forward this amount to the Developer.

**City of Woodbury, Minnesota
Office of the HRA Executive Director**

HRA Letter 21-05

July 14, 2021

To: The Honorable Chair and Commissioners of the HRA

From: Clinton P. Gridley, HRA Executive Director

Subject: Approval of HRA Fund Policy

Summary

The Housing and Redevelopment Authority in and for the City of Woodbury (the “HRA”) was created in 2006 and has certified an annual property tax levy each year since. Said levy is a primary funding source of the HRA Fund which is used for personal services, operating expenditures, and projects typically connected to affordable housing. An implementation step of the City’s 2021 Housing Action Plan is to create a policy that helps guide the Woodbury HRA’s Board of Commissioners when considering an annual HRA property tax levy as well as the overall fiscal management of the HRA Fund.

The HRA has operated a variety of housing loan programs since 2009 and while these programs are well defined, there are potential new housing programs that will be created as implementation steps of the 2021 Housing Action Plan. Staff has written the attached HRA Directive “HRAD-1.5: Housing and Redevelopment Authority (HRA) Fund Policy” (the “Policy”) for the review of the HRA Board. The Policy includes historical revenue factors, recommended parameters for the decision-making process, and proposed triggers regarding the annual HRA property tax levy amount. The Policy also recommends that the HRA should include a three-year projection of revenues and expenses as part of its annual budget process.

Recommendation

Staff recommends HRA adopt HRA Resolution 21-03 adopting HRAD-1.5: Housing and Redevelopment Authority (HRA) Fund Policy.

Fiscal Implications

While approval of this Policy does not have direct fiscal implications, the Policy does establish parameters for the amount of potential annual HRA property tax levies which are a primary revenue component of the annual HRA budget.

Policy

Statutorily, the operations of a municipal HRA are governed by Minnesota Statutes, Sections 469.001 through 469.047. State law authorizes a municipal HRA to certify an annual property tax levy that does not exceed 0.0185 percent of its host City’s taxable market value.

At the Woodbury level, an implementation step of the 2021 Housing Action Plan, as adopted on April 14, 2021, notes that “the Audit and Investment Commission will be tasked with reviewing and approving a policy that helps guide the Woodbury HRA’s Board of Commissioners when considering an annual HRA property tax levy. This policy work shall be complete in mid-2021 prior to the annual budget workshop that is held every September. This policy will review historic trends in revenues and expenditures, the demand for the HRA loan programs, projections of future revenues and expenditures, and the cost of potential future new programs of the HRA. These considerations will be used to create guidelines for the appropriate fund balance in the HRA Fund as well as triggers and criteria for establishing the annual HRA property tax levy.”

Public Process

1. March 25, 2020, October 21, 2020, and February 17, 2021 City Council workshop discussions of the concept of the draft Policy as part of the creation of the 2021 Housing Action Plan.
2. April 14, 2021 City Council adoption of the 2021 Housing Action Plan.
3. May 4, 2021: Audit and Investment Commission review of the draft Policy.
4. June 28, 2021: Audit and Investment Commission motion of approval of the draft Policy.

Background

The main operational component of the HRA has been its housing loan programs. Specifically, the HRA has been able to issue more than \$6.3 million in housing loans since 2009 given its ability to leverage a wide range of revenue sources.

The HRA fund balance excluding notes receivable has fluctuated up and down over the past decade based in large part on the amount of loans issued and the amount of unanticipated or unscheduled revenue sources. The annual HRA property tax levy, by contrast, has remained flat at \$250,000 without any adjustment for inflation. As a result, the HRA levy’s impact on the median-valued home in the community has actually decreased over time as the tax base has increased.

Initial policy work connected to the HRA levy began with the HRA’s 2007 Housing Action Plan. Said plan identified that “the HRA anticipates certifying a levy beginning at \$350,000 in 2008 with annual increases of approximately \$55,000 per year over 5 years stabilizing at \$525,000 in 2012”. The 2007 Housing Action Plan further noted that “this will enable the HRA to maintain an annual fund balance of at least \$500,000.” In actuality, rather than increase the levy amount as anticipated, the HRA opted to first maintain and then reduce the HRA levy to \$250,000 given the availability of additional unanticipated revenues. As such, the HRA’s fund balance has been able to finance HRA programs without increasing the burden on the HRA property tax ratepayers. However, many of these sources of revenue are not predictable into the future.

The HRA has been able to operate with the reduced \$250,000 annual HRA levy due to unanticipated and unpredictable revenue sources such as conduit debt issuer fees (roughly \$635,000 between 2011 and 2020) as well as unscheduled payments of loan principal (roughly \$2.25 million between 2011 and 2020). Additionally, the HRA has been able to leverage the City’s allocation of federal funds from the US Department of Housing and Urban Development to issue 46 loans between 2011 and 2020 via the Woodbury First-Time Homeownership

Program in an aggregate amount of \$1,113,685. But for these federal resources, the HRA would have needed to fund these loans using HRA Fund resources.

In addition to the fluid nature of the HRA Fund's revenue sources, expenditures have the potential for fluctuation as well. The amount of loan issuances on an annual basis is affected by market factors, the state of the real estate economy, the effectiveness of Woodbury's marketing operations and more. Additionally, the introduction and background section of the 2021 Housing Action Plan notes that the "Plan does not ask the question of whether or not affordable housing is needed in Woodbury; but, rather, how it can be achieved." Further, Section 5 of the 2021 Housing Action Plan notes "that the City has observed over the past several years that it is increasingly difficult for affordable housing projects in Minnesota to secure the funding from federal, state, and regional funders without some type of local match." As such, staff will propose at a future meeting that the 2022 HRA budget include expenditures specifically related to costs implementing the 2021 Housing Action Plan.

The 2007 and 2021 housing action plans referenced above are not attached to this staff report, but are available upon request.

Written By: Karl Batalden, Community Development Coordinator
Approved Through: Janelle K. Schmitz, HRA Clerk
Judith Afdahl, HRA Treasurer
Attachments: 1. HRA Resolution 21-03
2. Proposed HRA Directive HRAD-1.5

HRA Resolution 21-03

**Resolution of the Housing and Redevelopment Authority
in and for the City of Woodbury, Washington County, Minnesota**

Adopting HRAD-1.5: Housing and Redevelopment Authority (HRA) Fund Policy

WHEREAS, the Housing and Redevelopment Authority in and for the City of Woodbury (the “HRA”) is a municipal HRA governed by Minnesota Statutes, Sections 469.001 through 469.047; and

WHEREAS, the City of Woodbury’s 2021 Housing Action Plan recommended the creation of an HRA Fund Policy; and

WHEREAS, the City of Woodbury’s Audit and Investment Commission reviewed and approved said HRA Fund Policy at their June 28, 2021 meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Woodbury, Washington County, Minnesota, that HRAD-1.5: Housing and Redevelopment Authority (HRA) Fund Policy is hereby approved.

This Resolution was declared duly passed and adopted and was signed by the Chair and attested to by the Executive Director this 14th day of July, 2021.

Attest:

Anne W. Burt, Chair

Clinton P. Gridley, Executive Director

 HOUSING AND REDEVELOPMENT AUTHORITY DIRECTIVE	Adopted: 07-14-21 Revised:	Number: HRAD-1.5
	Chair:	Executive Director:
	For: Housing and Redevelopment Authority Board	
	Subject: Housing and Redevelopment Authority (HRA) Fund Policy	

Purpose

The purpose of this policy is to provide guidelines for the management of the Housing and Redevelopment Authority (the “HRA”) Fund. The operations of Woodbury’s municipal HRA are in part funded by the annual HRA property tax levy, as governed by Minnesota Statutes, Sections 469.001 through 469.047, which authorizes an annual property tax levy not to exceed 0.0185 percent of a city’s taxable market value.

Historically, the HRA property tax levy has served as a main revenue source for the three primary financial components of the HRA’s budget:

1. Personal services;
2. Operating expenditures; and
3. Housing finance programs such as but not limited to the Woodbury First-Time Homeownership Program, the Neighborhood Reinvestment Fund, and development assistance.

Historical HRA Revenue Factors

When the HRA loan programs were authorized in 2008, the policy desire of the HRA Board at the time was to create a self-revolving loan fund. It was expected that an annual HRA property tax levy would be needed to seed the loan pool for a number of years prior to the loan pool reaching a self-revolving stage.

Additionally, the HRA has been able to leverage the City’s allocation of federal funds from the US Department of Housing and Urban Development (“HUD”) to issue loans via the Woodbury First-Time Homeownership Program. But for these federal resources, the HRA would have needed to fund these loans using HRA levy resources.

Parameters for Determining Annual HRA Property Tax Levy Amount

The HRA Board should consider the following parameters when determining the amount, if any, of an annual HRA property tax levy:

1. The levy amount should be determined based on the programmatic needs of the HRA for the coming one to three years given the nature of the levy process.
2. The HRA Board certifies a levy in December of a given year. The actual cash-on-hand from the levy is not completely available until the end of the following year.

Housing and Redevelopment Authority Directive
HRAD-1.5
Housing and Redevelopment Authority (HRA) Fund Policy
Page 2

3. The HRA budget projects the repayment of loan principal including some unscheduled principal payments.
4. Implementation of Woodbury's 2021 Housing Action Plan anticipates potential new housing programs and/or the possibility of the need to invest gap financing into affordable rental projects. The use of HRA levy resources, along with tax increment financing, are the two most flexible sources of revenue for housing programs identified in the 2021 Housing Action Plan, such as the current HRA loan programs, affordable rental development gap financing, land banking, and/or providing seed funding for rental licensure programs.
5. The HRA should include a three-year projection of revenues and expenses as part of its annual budget process.

Given the five parameters above, this policy recommends the following based in part on the historical fluctuation of HRA year-end fund balance (excluding notes receivable):

1. In the event that year-end HRA fund balance falls below two times the amount of the three-year average of annual expenditures and loan program disbursements, the HRA should evaluate the next year's anticipated sources of revenue. If significant additional or new revenue sources are not available, the HRA should consider implementing annual increases to the levy until the year-end HRA fund balance once again reaches two times the amount of the three-year average of annual expenditures.
2. In the event that year-end HRA fund balance ranges between two times and three times the amount of the three-year average of annual expenditures and loan program disbursements, the historical HRA property tax levy should remain unchanged.
3. In the event that year-end HRA fund balance exceeds three times the amount of the three-year average of annual expenditures and loan program disbursements, the HRA should review the proposed HRA expenditures for the following year. In the event that significant development assistance or other projects are proposed that will employ significant portions of the HRA fund balance, the property tax levy should remain unchanged. If, however, the following year's proposed HRA expenditures do not propose any new or large expenditures beyond the historical averages, the HRA should consider implementing annual decreases to the levy until the year-end HRA fund balance once again ranges between two times and three times the amount of the three-year average of annual expenditures.