



**Housing and Redevelopment Authority Meeting Agenda
September 28, 2022 | 7:00 p.m.
Council Chambers, Woodbury City Hall**

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.

Members of the public may attend the meeting but will be required to comply with social distancing parameters as determined by the City. Members of the public 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.

7:00 p.m. 1. Call to Order

7:01 p.m. 2. Roll Call

7:02 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 – April 13, 2022 HRA Meeting

7:03 p.m. 4. Public Hearings – No items

7:04 p.m. 5. Discussion Agenda

A. Authorization of the 2023 Not-to-Exceed HRA Levy

22-07

Staff recommends the HRA adopt the attached HRA Resolution 22-04 providing authorization of the 2023 not-to-exceed HRA levy in an amount of \$250,000.

7:10 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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Pursuant to the due call and notice thereof, a regular meeting of the Woodbury Housing and Redevelopment Authority was duly held at the Woodbury City Hall, 8301 Valley Creek Road, on the 13th day of April 2022.

Call to Order

Chair Anne Burt called the meeting to order at 7:00 p.m.

Chair Burt welcomed those listening and attending. She said members of the public may attend the meeting but will be required to comply with social distancing parameters as determined by the City. Members of the public may also join the meeting using a PC, Mac, iPad, iPhone or Android device. 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. Questions regarding the meeting will also be taken between the hours of 8:00 a.m. to 4:30 p.m. via email council@woodburymn.gov or call 651-714-3524 and leaving a voicemail message.

Roll Call

Upon roll call the following were present: Chair Anne Burt; Members Kim Wilson, Andrea Date, Steve Morris, Jennifer Santini. Absent: None.

Others Present: Janelle Schmitz, HRA Clerk; Clinton Gridley, HRA Executive Director; and Karl Batalden, Community Development Coordinator.

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.

Item A Approval of Minutes – January 26, 2022 HRA Meeting

Member Morris moved, seconded by Member Date, to approve the Consent Agenda item.

Voting via voice:

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

Public Hearing

A. Authorizing the Issuance, Sale and Deliver of Multifamily Housing Revenue Note (Orville Commons Project), Series 2022

Community Development Coordinator Karl Batalden reviewed the 235-unit Orville Commons housing project, with conduit financing component approved by the City Council in 2019. He reviewed previous issuance of \$38 million in bonds in 2021, and an additional proposed \$982,000 to secure low-interest debt and defray cost increases. He reviewed other conduit bonds previously issued by the HRA.

Mr. Batalden stated City Staff recommends HRA authorization of the issuance of the conduit revenue bonds in an amount not to exceed \$982,000 and additional approvals.

Member Morris moved, seconded by Member Santini, to close the public hearing.

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

Member Morris moved, seconded by Member Santini,

To adopt the following resolution

Resolution 22-03

Resolution of the Housing & Redevelopment Authority of the City of Woodbury, Washington County, Authorizing the Issuance, Sale, and Delivery of Its Multifamily Housing Revenue Note (Orville Commons Project), Series 2022; Approving the Form of and Authorizing the Execution and Delivery of Such Note and Related Documents; Providing for the Security, Rights, and Remedies with Respect to the Note; and Taking Certain Other Actions with Respect Thereto.

Voting via voice:

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

Discussion

A. Updates to the Woodbury HRA Loan Program Guidelines

Mr. Batalden noted that a review of the HRA loan programs and the marketing of these programs was included as part of the implementation of the Housing Action Plan. He added that given the changes in the housing market, the loan programs are out of sync with current market conditions. He reviewed the four proposed changes to the loan program which are proposed to ensure that the City's loan programs are effective and continue to meet the goals program. The four changes include the increase of the maximum loan size from \$25,000 to \$30,000; indexing the maximum purchase price to 100 percent of the Woodbury median residential value, which is a reduction from the current policy of 125 percent and would bring the maximum purchase price to \$420,000; keeping the 3.5 percent minimum contribution, but capping it at \$10,000, which is the biggest complaint from the users of this program; and allowing proceeds from the MHFA start-up program to count towards the minimum contribution.

Member Santini asked whether the proposed increased loan amount will be sufficient given the market conditions. Mr. Batalden stated stakeholders have identified a desire for a higher increase in the loan amount, but this could impact the HRA fund balance in future years if we raise it too much. He was comfortable with the recommendation, which is a 20 percent increase.

Member Santini stated the City Council had discussed an assessment of the HRA levy, and a potential increase in loan opportunities. She asked whether the City is doing enough to create impact for first-time homeowners. Mr. Batalden stated it really becomes an opportunity cost question, and how to ensure the sustainability of the fund balance.

Member Morris asked what percentage of the City's housing stock would qualify for this program at the new reduced maximum purchase price. He added the availability of housing below this price point is continually shrinking and as the housing values continue to rise, he questioned whether the program is sustainable. Mr. Batalden stated County assessments are one indicator of value. He added the City has approximately 12,000 housing units with a median value below \$420,000, but this does not reflect the number of units below this price that are actually listed for sale.

Member Date stated incremental increases to the purchase price might be a better approach, with more frequent assessments. She asked whether there could be negative effects from limiting the maximum contribution to \$10,000, and are we doing these residents a disservice if they don't have enough equity in their home, as we don't want to set them up for failure. Mr. Batalden stated the loan program administrator has indicated that Woodbury's program is great for lowering monthly costs, but the number one complaint is that is that the minimum contribution is too high and it keeps people away from the program. He said that 3.5 percent is based on FHA standards.

Member Date asked how much the down payment would be reduced by on the maximum purchase price of \$420,000. Mr. Batalden responded that 3.5 percent would be roughly \$14,000, as compared to the proposed maximum of \$10,000.

Member Wilson stated she likes the program, and has herself benefitted from a first time homebuyer program. She agreed with member Santini as to whether the increase to \$30,000 is enough, and with member Date whether \$10,000 is too low, and asked whether these

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new standards are enough to eliminate the PMI. Mr. Batalden responded that an evaluation of our loan portfolio indicated that our loans constitute about 10 percent of the purchase price, so it doesn't completely eliminate PMI. He added that most PMI is based on a tiered system, which means our borrowers are paying less PMI than they would have without our loan.

Member Wilson said she would like to see real examples of first-time home buyers who have benefitted from this program.

Member Date agreed that she would also like to see examples, and asked whether the City is giving first-time homebuyers the right tools they need to reduce their payments. She didn't want to have our program resulting in home buyers buying up because they don't need as much of a down payment. Mr. Batalden stated it is a balancing act for homeowners, between reducing their monthly payment by putting more down, but also having enough liquidity to manage their monthly household budget. The City helps to offset risk with a very thorough underwriting process, which has led to low default rate.

Chair Burt thanked the HRA for the good discussion, and noted that there is a need to monitor the changes to the loan guidelines and review them more frequently going forward.

Member Santini moved, seconded by Member Wilson,

To adopt a motion to increase the maximum loan amount for the Woodbury First-Time Homeownership Program from \$25,000 to \$30,000;

To adopt a motion to index the maximum purchase price of the Woodbury First-Time Homeownership Program and the maximum property value for participation in the Neighborhood Reinvestment Fund to 100 percent of the Woodbury median residential value, as determined by the Washington County Assessor;

To adopt a motion to establish a Minimum Contribution of 3.5 percent of the purchase price paid by or on behalf of the home buyer, with a maximum contribution of \$10,000; and

To adopt a motion to allow proceeds from the Minnesota Housing Finance Agency's "Start Up" Program (as well as any successor programs or re-branded programs) to apply towards the required Minimum Contribution required by the Woodbury First-Time Homeownership Program.

Voting via voice:

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

Adjournment

Chair Burt moved, seconded by Member Morris, to adjourn the April 13, 2022 Housing & Redevelopment Authority meeting.

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

Chair Burt adjourned the meeting at 7:30 p.m.

Anne W. Burt

Approved by the Woodbury Housing and Redevelopment Authority on September 28, 2022.

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

HRA Letter 22-07

September 28, 2022

To: Woodbury Housing and Redevelopment Authority
From: Clinton P. Gridley, Executive Director
Subject: Authorization of 2023 Not-to-Exceed HRA Levy

Summary

Minnesota Statutes require that the City's HRA adopt a 2023 proposed property tax levy for purposes of truth-in-taxation and that the City also approve this action. This action must take place not later than September 30, 2022. The HRA will have the option to decrease the tax levy prior to final adoption in December. The HRA cannot, however, increase the amount of the tax levy above the amount adopted at this meeting.

Recommendation

Staff recommends the Board adopt HRA Resolution 22-04, a resolution providing authorization of the 2023 not-to-exceed HRA levy in an amount of \$250,000.

Fiscal Implications

The proposed 2023 HRA property tax levy provides an income stream that helps shape the HRA budget. The proposed 2023 HRA property tax levy is a zero percent change from the 2022 property tax levy. The proposed \$250,000 HRA levy has a \$6.78 impact on the median-valued home in the community, an increase of \$0.04, from the 2022 impact.

Policy

Not applicable.

Public Process

This item was reviewed as part of the annual budget workshop held on September 14, 2022.

Background

The HRA budget attempts to balance the funding of programs important to the City with maintaining as small of a tax burden as feasible. State statutes mandate that an HRA levy may not exceed 0.0185 percent of taxable market value in the City. The 2023 HRA levy of \$250,000 is within the state guidelines. This levy amount has not changed since a decrease in 2011 from the previous amount of \$350,000.

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The main focus of this staff report is on the action needed regarding the not-to-exceed amount for the 2023 HRA levy. Staff anticipates future public meetings and discussions regarding the HRA's budget and its programs.

Written By:	Janelle K. Schmitz, Community Development Director/HRA Clerk
Approved Through:	Clinton P. Gridley, Executive Director
Attachment:	HRA Resolution 22-04

HRA Resolution 22-04

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

Authorization of the 2023 not-to-exceed HRA levy in an amount of \$250,000

BE IT RESOLVED by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Woodbury, Washington County, Minnesota (the “HRA”), as follows:

Section 1. Recitals.

- 1.01. The HRA is authorized by Minnesota Statutes Section 469.033 to adopt a levy on all taxable property within its area of operation, which is the City of Woodbury, Minnesota.
- 1.02. The HRA is authorized to use the amounts collected by the levy for the purposes of Minnesota Statutes Section 469.001 to 469.047 (the “General Levy”).

Section 2. Findings

- 2.01. The HRA hereby finds that it is necessary and in the best interest of the City of Woodbury and the HRA to adopt the General Levy to provide funds necessary to accomplish the goals of the HRA and in furtherance of the City’s comprehensive plan.
- 2.02. The levy does not exceed 0.0185 percent of estimated market value in the City of Woodbury.
- 2.03. State Law requires the certification of a proposed tax levy no later than September 30, 2022 for “truth in taxation” purposes.

Section 3. Adoption of General Levy.

- 3.01. The following sums of money are hereby levied, collectible in 2023, upon the taxable property of the City of Woodbury for the purposes of the General Levy described in Section 1.02 above:

Amount:	\$250,000
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Section 4. Report to City and Filing of Levies.

- 4.01. The Executive Director of the HRA is hereby instructed to inform the City Council of this Resolution so that the City Council may consent to the levy.
- 4.02. After the City Council has consented by resolution to the levy, the Treasurer of the HRA is authorized and directed to provide the property tax levy amounts to the county auditor of Washington County, Minnesota.

This Resolution was declared duly passed and adopted and was signed by the Chair of the HRA and attested to by the HRA Executive Director this 28th day of September, 2022.

Attest:

Anne W. Burt, Chair

Clinton P. Gridley, Executive Director