



Housing and Redevelopment Authority Meeting Agenda
Council Chambers, Woodbury City Hall
December 8, 2021

Upon the conclusion of the Woodbury EDA meeting, estimated to be 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. Questions regarding the meeting will also be taken between the hours of 8:00 a.m. to 4:30 p.m. at 651-714-3524 or at council@woodburymn.gov. Questions received after 4:30 p.m. will be responded to in the next three to seven business days.

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 Commissioners 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 – October 27, 2021 HRA Meeting

B. Establishing the 2022 HRA Calendar 21-10

Staff recommends HRA adopt a motion approving the HRA's 2022 Calendar.

7:14 p.m. 4. Public Hearings – No items

7:15 p.m. 5. Discussion Agenda

A. Adoption of 2022 HRA Budget 21-11

Staff recommends the HRA adopt the attached HRA Resolution 21-09 adopting the 2022 HRA Budget.

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.

MINUTES

WOODBURY HOUSING AND REDEVELOPMENT AUTHORITY

OCTOBER 27, 2021

3A

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 27th day of October, 2021.

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, Kim Wilson, Andrea Date, Steve Morris, Jennifer Santini. Absent: None.

Others Present: Angela Gorall, HRA Deputy Executive Director; Janelle Schmitz, HRA Clerk; Karl Batalden, Community Development Coordinator; and Sofia Lykke, bond counsel.

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 – September 29, 2021 HRA Meeting

Member Santini moved, seconded by Member Date, to approve the Consent Agenda items.

Voting via voice:

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

Public Hearing

A. Authorizing the Issuance, Sale and Delivery of Multifamily Housing Revenue Note (Orville Commons Project), Series 2021

Community Development Coordinator Karl Batalden reviewed the proposed issuance of conduit bonds related to Orville Commons, a 235-unit housing development, approved by the City Council in 2019. Financing from conduit bonds represents approximately half of the funding for the development. Conduit bonds allow a project to use tax-exempt debt rather than taxable debt, with no responsibility by the City or the HRA for debt service or payments. The Housing and Redevelopment Authority (HRA) has been working to secure bonding authority from the State since 2019 to finance the Orville Commons project. Proceeds of the approximately \$38 million conduit bond issuance will be used for development of Orville Commons, as well as various related costs.

Mr. Batalden stated the City of Woodbury has a long history of issuing bonds to facilitate development. Conduit bonds have been authorized by the State of Minnesota for more than 50 years.

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Mr. Batalden stated that staff recommends HRA approval of Resolution #21-06 authorizing the issuance of conduit revenue bonds, approving the forms of and authorizing the execution and delivery of the bonds and related documents, and charging an administrative fee in compliance with Woodbury's fee schedule.

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

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

Member Date moved, seconded by Member Morris,

To adopt the following resolution

Resolution 21-06

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 2021; 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 obligations; establishing compliance with certain reimbursement regulations under the Internal Revenue Code of 1986, as amended; and taking certain other actions with respect thereto.

Voting via voice:

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

Discussion

A. Authorization to Assign Mortgage Securing a First-Time Homeownership Program Loan

Mr. Batalden stated a Woodbury first-time homeownership program borrower is facing a sheriff's sale, that has been forced by a separate lienholder. The borrower, with whom the HRA has been working for the last 2 years, has not been able to resume payments.

Mr. Batalden requested HRA consideration of the following options: 1. Do nothing; 2. Wait until the 6-month redemption period ends and the City can buy out the lienholders; or 3. Accept an offer from an investor, MKR, LLC, to pay the HRA \$22,500 and assign the mortgage to MKR, LLC, which would represent a loss of approximately \$2,500 in loan principle. Staff recommends the third option, which minimizes legal costs and risk management concerns.

Member Morris stated the third option is the most risk-averse option. He requested HRA consideration of option 2, which could be an opportunity to purchase the property in alignment with the City's Housing Action Plan (HAP), to encourage affordable housing in Woodbury.

In response to a question about non-profits who operate community land trusts or CLTs, Mr. Batalden stated that the CLT that operates in Washington County is Two Rivers Community Land Trust, and they own one property in Woodbury. He added the HRA is the junior lienholder in the mortgage situation before the HRA Board, and the opportunity to buy out the superior lienholders and acquire the property would require policy direction from the HRA Board with regard to the ultimate disposal of the property. He added that the creation of a city-sponsored CLT initiative would likely require at least 2 HRA workshops in 2022 to determine policy parameters as there is no precedent for this.

Member Morris requested consideration from the HRA of leaving the door open to discuss this option, for whatever road that might take in the future.

Mayor Burt stated the sheriff's sale is scheduled for Friday. She added this option might be something to consider going forward if this happens again.

Member Santini stated non-profit organizations should be involved when these opportunities arise, as this is their mission. Member Morris agreed.

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Member Wilson stated that she does not believe the City should be involved in acquiring property, as that is not the government's role. She added she will require additional information if this happens again in the future.

Staff recommends the HRA adopt the attached HRA Resolution 21-07 authorizing the HRA to assign a mortgage securing a Woodbury First-Time Homeownership Program Loan to MKR LLC.

Member Date moved, seconded by Member Santini,

To adopt the following resolution

Resolution 21-07

Resolution of the Housing & Redevelopment Authority of the City of Woodbury, Washington County, authorizing the HRA to assign a mortgage securing a Woodbury First-Time Homeownership Program Loan to MKR LLC.

Voting via voice:

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

Adjournment

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

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

Chair Burt adjourned the meeting at 7:20 p.m.

Anne W. Burt

Approved by the Woodbury Housing and Redevelopment Authority on December 8, 2021.

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

HRA Letter 21-10

December 8, 2021

To: The Honorable Chair and Commissioners of the HRA

From: Clinton P. Gridley, HRA Executive Director

Subject: Establishing the 2022 HRA Calendar

Summary

The Woodbury Housing and Redevelopment Authority (HRA) needs to meet on the fourth Wednesday of January, the last Wednesday of September and the second Wednesday of December of each year and on an as-needed basis in the months in between. As such, the 2022 HRA Calendar will include meetings on January 26th, September 28th, and December 14th in 2022. Should the need arise for additional meetings during the year, the public will be notified following standard City practices.

Recommendation

Staff recommends that the HRA approve via motion the HRA Calendar for the 2022 which will include meetings on:

- January 26, 2022 upon the completion of Woodbury EDA meeting, estimated to be 7:10;
- September 28, 2022 at 7:00 p.m.; and
- December 14, 2022 upon the completion of Woodbury EDA meeting, estimated to be 7:10 p.m.

Fiscal Implications

This item has no impact upon the HRA Fund Budget.

Policy

Section 3.1 of the EDA By-Laws requires that the “annual meeting of the Board shall be held on the fourth Wednesday of the month of January in each year”.

Additionally, from a budget management perspective, actions regarding a not-to-exceed property tax levy must be taken prior to September 30th and the 2023 HRA budget must be adopted via resolution prior to the end of the calendar year. As such, following past practices, HRA meetings will be required on September 28th and December 14th to meet the budget and taxation requirements of the HRA.

The proposed motion complies both with Section 3.1 of the By-Laws and the budgetary practices of the City.

Public Process

This is the first public process for this item.

Background

Not applicable.

Written By: Karl Batalden, Community Development Coordinator
Approved Through: Janelle K. Schmitz, Community Development Director and HRA Clerk
Attachments: None

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

HRA Letter 21-11

December 8, 2021

To: Woodbury Housing and Redevelopment Authority

From: Clinton P. Gridley, Executive Director

Subject: Adoption of 2022 HRA Budget

Summary

The proposed 2022 Housing and Redevelopment Authority (HRA) budget includes \$1,313,900 of appropriations focusing on the broad categories of loan pool disbursements, projects implementing the 2021 Housing Action Plan, labor reimbursements, and operating expenditures. The principal revenue sources for these expenditures include HRA fund balance, payments of loan principal and interest, and the HRA property tax levy.

Recommendation

Staff recommends the HRA Board adopt HRA Resolution 21-09, a resolution adopting the 2022 Housing and Redevelopment Authority Budget.

Fiscal Implications

This letter and the attached resolution adopts the HRA budget for 2022.

Policy

Not applicable

Public Process

The 2022 HRA budget was discussed at the City Council budget workshop on September 15, 2021.

Background

The 2022 HRA budget includes more expenditures than the adopted 2021 HRA budget given the personnel costs connected to the proposed new single-family and townhome rental licensure process as well as other implementation costs of the 2021 Housing Action Plan. The recommended \$550,000 allocation to the HRA's housing loan pool is consistent with previous years.

Written By: Karl Batalden, Community Development Coordinator
Approved Through: Janelle K. Schmitz, Community Development Director and EDA Secretary
Attachments: HRA Resolution 21-09

HRA Resolution 21-09

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

Adopting the 2022 HRA Budget

BE IT RESOLVED by the Housing and Redevelopment Authority in and for the City of Woodbury, Washington County, Minnesota, that the appropriations for the HRA Fund for the calendar year 2022 be as follows:

Loan Pool Disbursements	\$550,000
Projects implementing the 2021 Housing Action Plan	520,000
Labor Reimbursement to General Fund for Staff Salary and Benefit Costs	170,700
Operating Expenditures	<u>73,200</u>
Total Appropriations	<u>\$1,313,900</u>

BE IT FURTHER RESOLVED by the Housing and Redevelopment Authority in and for the City of Woodbury, Washington County, Minnesota that the sources of financing the sums appropriated shall be:

General Property Taxes	\$ 250,000
Less Estimated Property Tax Delinquencies and Refunds for Tax Court Petitions	(2,500)
Investment Income	14,500
Loan Interest	80,000
Loan Principal	200,000
Conduit Debt Fee	15,000
LMCIT Dividends	50
Use of Fund Balance	<u>756,850</u>
Total Sources of Financing	<u>\$ 1,313,900</u>

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 8th day of December, 2021.

Attest:

Anne W. Burt, Chair

Clinton P. Gridley, Executive Director