

MINUTES

WOODBURY HOUSING AND REDEVELOPMENT AUTHORITY

OCTOBER 27, 2021

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.

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.

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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

HRA 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.

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.

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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

HRA 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:

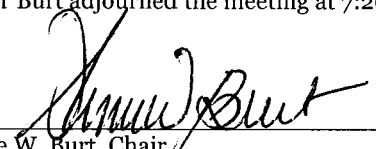
Kim Wilson – aye
Andrea Date – aye
Steve Morris – aye
Jennifer Santini - aye
Anne Burt – aye

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, Chair

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