HOUSING & REDEVELOPMENT AUTHORITY REGULAR MEETING

May 06, 2021
7:00 PM
Fridley City Hall, 7071 University Avenue N.E.

AGENDA

Call to Order

Roll Call

Action Items

1. Approval of Expenditures
2. Approval of the Minutes from the HRA Meeting of April 1, 2021
3. Interfund Loans for Future Redevelopment of Old Central & Mississippi Street

Informational Items

4. Update on Housing Programs

Adjournment

The City of Fridley will not discriminate against or harass anyone in the admission or access to, or treatment, or employment in its services, program, or activities because of race, color, creed, religion, national origin, sex, disability, age, marital status, sexual orientation or status with regard to public assistance. Upon request, accommodation will be provided to allow individuals with disabilities to participate in any of Fridley's services, programs, and activities. Hearing impaired persons who need any interpreter or other persons with disabilities who require auxiliary aids should contact Roberta Collins at (763) 572-3500. (TTD/763-572-3534).

AGENDA REPORT

Meeting Date: May 6, 2021 **Meeting Type:** Housing & Redevelopment Authority

Submitted By: Paul Bolin, Assistant Executive Director

Title

Approval of Expenditures

Background

Recommendation

Staff recommends the HRA approve the expenditures for the period April 1 through April 29, 2021.

Attachments and Other Resources

- Check Report

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

City of Fridley, MN

Check Report

By Check Number

Date Range: 03/26/2021 - 04/29/2021

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-HRA-APBNK-HRA						
hra-623	FRIDLEY, CITY OF	03/31/2021	Regular	0.00	1,224.56	30594
HRA-2646	KIMLEY-HORN & ASSOCIATES INC	03/31/2021	Regular	0.00	6,732.58	30595
HRA -2700	EG RUD & SONS INC	04/07/2021	Regular	0.00	2,737.50	30596
hra-1113	MONROE MOXNESS BERG PA	04/13/2021	Regular	0.00	17,564.50	30597
HRA-2621	JOHNSON, GREG	04/13/2021	Regular	0.00	290.00	30598
hra-623	FRIDLEY, CITY OF	04/14/2021	Regular	0.00	1,002.40	30599
hra-311	CENTER FOR ENERGY & ENVIRONMENT (CEE)	04/20/2021	Regular	0.00	34,538.93	30600
HRA-2643	ANOKA COUNTY PROPERTY RECORDS & TAXATIOI	04/27/2021	Regular	0.00	388.84	30601
HRA-2653	NORTH STATE ADVISERS & ASSOCIATES	04/27/2021	Regular	0.00	2,000.00	30602
hra-311	CENTER FOR ENERGY & ENVIRONMENT (CEE)	04/27/2021	Regular	0.00	200.00	30603
hra-505	EHLERS & ASSOCIATES INC	04/27/2021	Regular	0.00	1,868.75	30604
hra-623	FRIDLEY, CITY OF	04/28/2021	Regular	0.00	75,761.67	30605
hra-903	INTERNAL REVENUE SERVICE - PAYROLL TAXES	04/02/2021	Bank Draft	0.00	455.25	DFT0003395
hra-903	INTERNAL REVENUE SERVICE - PAYROLL TAXES	04/02/2021	Bank Draft	0.00	127.54	DFT0003396
hra-905	MINNESOTA DEPT OF REVENUE - PAYROLL TAXES	04/02/2021	Bank Draft	0.00	219.99	DFT0003397
hra-903	INTERNAL REVENUE SERVICE - PAYROLL TAXES	04/02/2021	Bank Draft	0.00	545.38	DFT0003398
hra-903	INTERNAL REVENUE SERVICE - PAYROLL TAXES	04/16/2021	Bank Draft	0.00	455.25	DFT0003399
hra-903	INTERNAL REVENUE SERVICE - PAYROLL TAXES	04/16/2021	Bank Draft	0.00	127.54	DFT0003400
hra-905	MINNESOTA DEPT OF REVENUE - PAYROLL TAXES	04/16/2021	Bank Draft	0.00	219.99	DFT0003401
hra-903	INTERNAL REVENUE SERVICE - PAYROLL TAXES	04/16/2021	Bank Draft	0.00	545.38	DFT0003402

Bank Code APBNK-HRA Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	20	12	0.00	144,309.73
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	8	8	0.00	2,696.32
EFT's	0	0	0.00	0.00
	28	**20**	**0.00**	**147,006.05**

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	20	12	0.00	144,309.73
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	8	8	0.00	2,696.32
EFT's	0	0	0.00	0.00
	28	**20**	**0.00**	**147,006.05**

Fund Summary

Fund	Name	Period	Amount
099	Pooled Cash - HRA	3/2021	7,957.14
099	Pooled Cash - HRA	4/2021	139,048.91
			147,006.05

AGENDA REPORT

Meeting Date: May 6, 2021 **Meeting Type:** Housing & Redevelopment Authority

Submitted By: Paul Bolin, Assistant Executive Director

Title

Approval of the Minutes from the HRA Meeting of April 1, 2021

Background

Recommendation

Staff recommends the HRA approve the minutes from the HRA meeting of April 1, 2021.

Attachments and Other Resources

- HRA Minutes – April 1, 2021

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

CITY OF FRIDLEY
HOUSING AND REDEVELOPMENT AUTHORITY COMMISSION
April 1, 2021

Vice Chair Mulrooney called the Housing and Redevelopment Authority Meeting to order at 7:00 p.m.

MEMBERS PRESENT: Kyle Mulrooney
Rachel Schwankl
Gordon Backlund

MEMBERS ABSENT: William Holm
Elizabeth Showalter

OTHERS PRESENT: Paul Bolin, HRA Assistant Executive Director
Vicki Johnson, Development Consultant

ACTION ITEMS

1. Approval of Expenditures

MOTION by Commissioner Schwankl to approve the expenses as submitted. Seconded by Commissioner Backlund.

UPON A VOICE VOTE, ALL VOTING AYE, VICE CHAIR MULROONEY DECLARED THE MOTION CARRIED UNANIMOUSLY.

2. Approval of February 4, 2021 Meeting Minutes

MOTION by Commissioner Backlund to approve the February 4, 2021 meeting minutes as submitted. Seconded by Commissioner Schwankl.

UPON A VOICE VOTE, ALL VOTING AYE, VICE CHAIR MULROONEY DECLARED THE MOTION CARRIED UNANIMOUSLY.

3. Approval of Purchase at 1314 Mississippi Street NE.

Paul Bolin, HRA Assistant Executive Director, stated that the 2020 Comprehensive Plan specifically stated that for this portion of Old Central, "consideration should be made to replacing the current mix of single-family residential and commercial uses with higher density residential development that together with the health club may serve as an attractive residential location for move-up housing". The 2030 Comprehensive Plan specifically states that "If the senior condominium projects, which received approvals for the corner of Mississippi and Central, do not receive financing and lose their effective status, the City should continue to pursue high density, senior housing for those corners due to the demand for this type of housing in Fridley". The 2040 Comprehensive Plan states that "The Future Land map continues to guide the southern portion of this intersection for commercial type uses. Focus should be given to similar type uses, like gas, convenience, barber and dog groomer, but other convenience uses could be added to provide fresh food, a coffee shop, or fast food. The southern portion of the intersection is zoned S-2, Redevelopment District and has received approval to have a mixed-use building constructed on it with small elements of commercial on the ground floor and residential above. That concept would align with the vision of the Future Land Use map". The new building would be one lot, one building and will include 13,750 square feet of retail space on the north side of the ground floor and 90 owner-occupied senior condominium units located above the rental and the remainder of the building. Staff recommends a motion approving the purchase of 1314 Mississippi Street and authorizing Staff and Chairperson to execute documents necessary for closing on the purchase.

Commissioner Schwankl asked if any of the leases would be renewed.

Mr. Bolin replied no, once we close on the property we will meet with tenants and present relocation plans to make sure everyone is taken care of.

Vicki Johnson, Development Consultant, added that the leases were assigned to the current owner by nature of the previous transaction. The short-term leases will be expired soon.

Commissioner Schwankl said that this is one of the priorities in the Comprehensive Plans and for HRA; she supports this purchase.

MOTION by Commissioner Schwankl to approve the purchase of 1314 Mississippi Street NE. Seconded by Commissioner Backlund.

UPON A VOICE VOTE, ALL VOTING AYE, VICE CHAIR MULROONEY DECLARED THE MOTION CARRIED UNANIMOUSLY.

INFORMATIONAL ITEMS

1. Housing Program Update

Mr. Bolin reported there was one loan closed in March for a total of seven year to date.
Fridley HRA Gran Programs Summary

- Front Door Grant – 20 applications received resulting in three signed agreements
- Foundations MR Grant – four applications received with no signed agreements
- Exterior Paint Grant – one application received with no projects completed

There were three Remodeling Advisor Visits for a total of three year to date and four Home Energy Squad Visits.

ADJOURNMENT

MOTION by Commissioner Backlund to adjourn. Seconded by Commissioner Schwankl.

UPON A VOICE VOTE, ALL VOTING AYE, VICE CHAIR MULROONEY DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE MEETING ADJOURNED AT 7:21 PM.

AGENDA REPORT

Meeting Date: May 6, 2021 **Meeting Type:** Housing & Redevelopment Authority

Submitted By: Paul Bolin, Assistant Executive Director

Title

Interfund Loans for Future Redevelopment of Old Central & Mississippi Street

Background

The City first identified the area around Old Central and Mississippi Street, as an area for redevelopment, nearly 25 years ago as part of the Fridley 2020 Comprehensive Plan. The area, east of Old Central, from Mississippi Street to 64^{th} Avenue, has remained in the follow up 2030 and 2040 Comprehensive Plans as a priority area for redevelopment.

The Authority approved the purchase of 1314 Mississippi Street on April 1^{st} and is expected to close on the property in the next two weeks. Staff is having the remaining parcels appraised in anticipation of potential purchase discussion with the other property owners.

To recover pre-development expenses paid from the HRA General Fund, the Authority regularly creates interfund loans. The loans are repaid from future land sales proceeds and future taxes generated on the property. The attached resolution formally authorizes the loaning of money to the potential project and the repayment of money to the general fund.

Recommendation

Staff recommends that the Authority adopt the attached resolution approving interfund loans between the HRA General Fund and the Old Central Redevelopment Project.

Resolution No. 2021-05

Approving Interfund Loans Associated with the Old Central Redevelopment Project

Be it resolved, by the Board of Commissioners (Commissioners) of the Housing and Redevelopment Authority in and for the City of Fridley (Authority) as follows:

Section 1. Recitals.

1.01 The Authority is considering the redevelopment of the area east of Old Central and north of Mississippi Street (Site).

1.02 The Authority has agreed to finance certain costs in categories identified on Exhibit A (Qualified Costs) on a temporary basis from Authority funds available for such purposes.

1.03 The Authority has already advanced or loaned money and will continue to advance or loan money to finance Qualified Costs under Minnesota Statutes § 469.176, subd. 4 from its general fund or any other fund under which it has legal authority to do so, pursuant to Minnesota Statutes § 469.178, subd. 7.

1.04 The Authority intends to create a tax increment financing district (TIF District) on the Site pursuant to Minnesota Statutes, §§ 469.174 to 469.179.

1.05 The Authority intends to reimburse itself for the Qualified Costs from tax increments generated from the TIF District, once it is created, in accordance with terms of this resolution (which terms are referred to collectively as the "TIF Loans").

1.06 The Authority acknowledges the need to create and maintain an ongoing Register of Advances (Register), as shown on Exhibit A, to reflect the continuing interfund loans and advances in accordance with the TIF Loans.

Section 2. Terms of the TIF Loans.

2.01 The Authority shall repay the specific Authority fund from which the Qualified Costs were and are to be paid, the principal amounts as shown on Exhibit A attached hereto, together with accrued interest from the date of each expenditure at a rate which may not exceed the greater of the rates specified under (a) Minnesota Statutes § 270C.40 or (b) Minnesota Statutes § 549.09. The interest rate for each calendar year during the term of each TIF Loan shall be determined as of each January 1 using the maximum rate under clause (a) or (b) in effect as of that date.

2.02 Principal and interest payments (Payments) for each TIF Loan shall be paid annually on December 31 of the first year of receipt of Available Tax Increment (defined in § 2.03 below) and on each December 31 thereafter (Payment Dates), up to and including the earlier of (a) payment in full of each TIF Loan or (b) the termination date of the TIF District. Payments shall be applied first to accrued interest and the balance to the reduction of principal. Interest accruing from the date of each expenditure to the first Payment Date shall be compounded annually on December 31 of each year and added to principal.

2.03 Payments on each TIF Loan are payable solely from Available Tax Increment, which shall mean the tax increment available from the TIF District and available for that purpose from any other TIF District, after withholding (a) allowable Authority administrative fees, and (b) prior obligations, which shall include all general obligation or revenue bonds or notes for which the tax increment revenues of a TIF District is pledged.

2.04 The principal sum and accrued interest payable under each TIF Loan may be prepaid in whole or in part at any time without premium or penalty. No partial prepayment of any TIF Loan shall affect the amount or timing of any regular payments otherwise required to be made under the TIF Loans.

2.05 Each TIF Loan is evidence of internal borrowing by the Authority in accordance with Minnesota Statutes § 469.178, subd. 7, and is a limited obligation payable solely from the Available Tax Increments pledged to the payment thereof under this resolution. The Authority shall have no obligation to pay any principal amounts of the TIF Loans or accrued interest thereon which may remain unpaid after the final Payment Date.

2.06 The Authority may amend the terms of any TIF Loan at any time by resolution of the Board of Commissioners, including a determination to forgive the outstanding principal amounts and accrued interest to the extent permissible under law.

Section 3. Approval. The Board of the Authority hereby approves the creation of a Register of Advances and the appointment of the Finance Director of the City to maintain the Register to reflect an accurate accounting of the interfund loans and advances, and approves their repayment in accordance with the TIF Loans.

Passed and adopted by the Housing and Redevelopment Authority of the City of Fridley this 6th day of May, 2021.

____
William B. Holm - Chair

ATTEST:

____
Walter T. Wysopal - Executive Director

Exhibit A

Register of Advances

Qualified Expense	Date Paid	Amount Paid
Land/Building Acquisition		
Relocation		
Site Improvements/Preparation Costs		
Installation of Public Utilities		
Parking Facilities		
Streets and Sidewalks		
Public Park Facilities		
Capitalized Interest		
Other – Interest Expense		
Other – Contingency		
Administrative Costs		

AGENDA REPORT

Meeting Date: May 6, 2021 **Meeting Type:** HRA Regular Meeting

Submitted By: Paul Bolin, Asst. Executive Director

Title

Update on Housing Programs

Background

On a monthly basis, staff will provide updates from CEE on the past month's activity for the Authority's loan programs, remodeling advisor visits and Home Energy Squad Visits.

Attachments and Other Resources

- Chart of Loans Issued & Remodeling Advisor Visits

Fridley Loan Summary Report

Activity for Period 3/16/2021 - 4/15/2021

Item 4.

Center for Energy and Environment

Application packets requested/mailed:	This period:	1	Year-to-Date:	6
Residential Advisor Visits:	This period:	16	Year-to-Date:	19
Loans currently in process for residents in your City/Neighborhood:		33		

Closed Loans	This period:		Year-to-Date:	
Fridley		Units		Units
		0		0
Closed End	0.00	0	61,958.00	3
Down Payment Assistance		0		0
Last Resort	0.00	0	0.00	0
Last Resort Emergency Deferred	0.00	0	7,988.93	1
Mobile Home Closed End		0		0
Multi Family Exterior Closed End		0		0
Senior Deferred	73,606.34	3	123,606.34	5
Total	73,606.34	3	193,553.27	9

Leveraged Funds	This period:	Units	Year-to-Date:	Units
MHFA FUF	34,852.00	2	109,372.00	3
Total	34,852.00	2	109,372.00	3

Types of Improvements Financed YTD	# of Projects	% of Total
Additions/Finishing off unused space	1	8.33
Driveways	1	8.33
Electrical	1	8.33
Flooring/Carpet/Tile	1	8.33
Foundations/Basement	1	8.33
Heating System	1	8.33
Kitchens	1	8.33
Lighting	1	8.33
Other Exterior Improvements	2	16.67
Other Interior Improvements	1	8.33
Siding, Stucco, Exterior Paint	1	8.33

Types of Properties Financed YTD	#	% of Total
Commercial - Non-residential	1	7.69
Single Family Residence	12	92.31