

**CITY OF FRIDLEY
HOUSING AND REDEVELOPMENT AUTHORITY COMMISSION
DECEMBER 2, 2021**

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

MEMBERS PRESENT: William Holm
Elizabeth Showalter
Gordon Backlund
Rachel Schwankl

MEMBERS ABSENT: Kyle Mulrooney

OTHERS PRESENT: Paul Bolin, HRA Assistant Executive Director
James Casserly, Development Consultant
Korrie Johnson, Assistant Finance Director
Nancy Abts, Associate Planner

Action Items:

1. Approval of Expenditures from November 1-24, 2021

MOTION by Commissioner Backlund to approve the expenditures. Seconded by Commissioner Schwankl.

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

2. Approval of November 4, 2021, Meeting Minutes

MOTION by Commissioner Showalter to approve the minutes. Seconded by Commissioner Backlund.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIR HOLM DECLARED THE MOTION CARRIED AND THE MINUTES APPROVED AS PRESENTED.

3. Certificate of Recognition – James Casserly

Chair Holm presented a certificate of recognition to James Casserly for his service to the HRA from 1988 through 2021. He expressed his thanks, noting that he has appreciated the work that Mr. Casserly has done for the HRA and City of Fridley.

Mr. Casserly thanked Chair Holm and the HRA. He commented that the only reason he has had the success he has in this community is because of the members of the HRA and City Council. He stated that the Fridley Council does a great job selecting candidates and allowing the HRA to complete its work and accomplish an amazing number of things in the community. He stated that Fridley has also had a long line of active Directors and Executive Directors and people that do the work.

4. Approval of 2022 HRA Budget

Korrie Johnson, Assistant Finance Director, stated that staff prepared a proposed budget for review by the HRA which reflects action of the HRA Board including current agreements, existing programs and current or pending Tax Increment Financing (TIF) District plans. She stated that on September 2, 2021, the HRA Board adopted Resolution 2021-26 approving the levy for property taxes payable in 2022. She stated that the budget for the HRA contains three major components: the general fund, housing loan program fund, and TIF District funds. She highlighted significant revenue changes for the proposed 2022 general fund budget including \$110,500 increase in loan interest, \$124,800 decrease in the sale of miscellaneous property, and \$687,400 decrease in miscellaneous revenues. She compared the proposed 2022 budget to the 2019 and 2020 budgets and activity. She noted that previous years experienced large land sales which are not anticipated for 2022. She highlighted significant expenditure changes which include a \$56,000 increase in administrative charges from the city. She also compared the proposed 2022 expenditures to the budget and activities from 2019 and 2020. She stated that staff recommends that the HRA Board adopt the proposed 2022 budget as presented.

MOTION by Commissioner Showalter to approve the proposed 2022 budget as presented. Seconded by Commissioner Schwankl.

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

5. Approval of 2022 Housing Grant Programs

Nancy Abts, Associate Planner, provided an update on the 2021 housing programs noting an investment of \$1,118,682 in the community through these programs. She provided before and after photographs of homes that participated in the different programs. She stated that in 2022 staff would propose to consolidate the front door and foundation programs and reviewed the appropriate recommendations for the program.

Commissioner Showalter asked for details on the interior projects.

Ms. Abts replied that interior projects would be improvements that would not be taken with you, such as updates to bathrooms and kitchens rather than a new washing machine.

Commissioner Showalter asked if a furnace would qualify.

Paul Bolin, HRA Assistant Executive Director, commented that a furnace would qualify.

Commissioner Schwankl stated that she would agree with making the change this year to see how it goes.

Commissioner Schwankl asked if a home would still need to be 20 years old.

Ms. Abts replied that the valuation criteria would be used from the front door program.

Commissioner Showalter stated that she would also be on board with this change for 2022.

Commissioner Backlund stated that the foundations program has a minimum project cost of \$35,000 and asked if the maximum grant would be \$2,500.

Ms. Abts confirmed that to be true. She noted that if a beautification component is included the grant could go up to \$5,000.

Commissioner Schwankl stated that as proposed for 2022, the minimum project cost would be eliminated, and the home would no longer need to be 20 years old.

Chair Holm asked if the minimum project cost would be eliminated.

Commissioner Schwankl confirmed that is the change proposed. She asked if there are new marketing ideas for the program.

Mr. Bolin commented that the newsletter has been the best method of communication on the programs. He stated that staff would be placing additional information in the newsletter and the communications team would use the website and social media platforms.

Commissioner Backlund stated that it is recommended that a resident be advised by a remodeling advisor and asked how that information would be provided.

Mr. Bolin commented that there is a remodeling advisor offered through CEE and staff asks the resident to meet with an advisor before taking on such projects. He commented that this is a service that the HRA has provided through CEE since 1996. He explained that the advisor would meet with a resident contemplating a project and would provide advice on how to solicit bids from contractors and prioritize projects.

Chair Holm asked if it is required for the CEE remodeling advisor to be used for any project, or whether a resident could hire someone independently.

Mr. Bolin replied that staff has judgement and flexibility based on the project. He noted that paving a driveway would not require a remodeling advisor.

Chair Holm commented that there was fairly good demand for the project this year, which was spread out throughout the year. He stated that it would appear that the City is requesting applications by March this year.

Ms. Abts stated that staff is simply asking for application proposals at that time. She stated that she has been working with the communications teams to increase marketing of the programs.

Chair Holm commented that it was great to see this level of investment in properties from homeowners.

MOTION by Commissioner Showalter to approve the Housing Grant Programs for 2022 as presented. Seconded by Commissioner Backlund.

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

6. Insulation Rebate Pilot Program

Paul Bolin, HRA Assistant Executive Director, stated that the HRA has partnered with CEE on Home Energy Squad visits which began in 2014 with the objective of improving energy efficiency. In 2018, the City Council adopted an Energy Action Plan with the goal to reduce community wide energy consumption by 20 percent by 2030. He stated that one of the most cost-effective ways to improve energy efficiency is to increase insulation for homes built prior to current building codes. He stated that in 2021 there were 45 visits where insulation was looked at and 37 of the homes would have been eligible for the program. He explained how the rebate would work and stated that staff recommends approval of the insulation rebate pilot program.

Commissioner Backlund asked if it has been suggested for residents to place an indoor/outdoor thermometer in the attic. He stated that could be used to demonstrate the savings that could be gained.

Chair Holm believed those things are included in an Energy Squad visit.

Commissioner Backlund stated that step could help to show residents the savings that would be gained by adding insulation.

Commissioner Schwankl asked if this would also include crawlspace encapsulation which is an issue an older home may run into.

Mr. Bolin commented that this is being modeled on the CenterPoint program and encapsulation is not a permitted use in that program.

Commissioner Backlund stated that perhaps at some point that type of project should also be looked at.

Commissioner Showalter stated that there may be State run programs available to address that issue that could be promoted by the City.

MOTION by Commissioner Backlund to approve the pilot grant program as presented. Seconded by Commissioner Showalter.

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

7. Resolution Approving Interfund Loans

Paul Bolin, HRA Assistant Executive Director, stated that the HRA recently met with Ms. Casserly and the new Development Consultant. He stated that it was discussed that the HRA should consider an interfund loan to acquire properties on the SE quadrant of Mississippi Street and Old Central Avenue. He explained that the interfund loan would allow the HRA to track current general fund expenditures and reimburse itself from future tax increment. Staff recommends approval of the resolution approving the creation of this interfund loan.

Ms. Casserly stated that this resolution has been adopted perhaps a dozen times. He explained that this allow the HRA to reimburse itself to the general fund.

MOTION by Commissioner Showalter to adopt the resolution approving interfund loans associated with the Old Central redevelopment project. Seconded by Commissioner Schwankl.

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

Informational Items:

8. Update on Housing Programs

Mr. Bolin reported that four revolving loans closed in November and provided an update on the HRA loan program for 2021.

Adjournment:

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

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON HOLM DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE MEETING ADJOURNED AT 7:54 P.M.

Respectfully submitted,

Amanda Staple
Recording Secretary