



# Housing & Redevelopment Authority Regular Meeting

February 01, 2024

7:00 PM

Fridley City Hall, 7071 University Avenue N.E.

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## Agenda

### **Call to Order**

### **Roll Call**

### **Action Items**

- [1.](#) Approval of Expenditures
- [2.](#) Approval of the Minutes from the HRA Meeting of December 7, 2023
- [3.](#) Approval of Resolution 2024-01 - Amendment to Sherman Associates Loan Agreement

### **Informational Items**

- [4.](#) Update on Housing Programs

### **Adjournment**

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Upon request, accommodation will be provided to allow individuals with disabilities to participate in any City of Fridley services, programs, or activities. Hearing impaired persons who need an interpreter or other persons who require auxiliary aids should contact the City at (763) 572-3450.



# AGENDA REPORT

**Meeting Date:** February 1, 2024

**Meeting Type:** Housing & Redevelopment Authority

**Submitted By:** Paul Bolin, Assistant Executive Director

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## Title

Approval of Expenditures

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## Background

Attached are the check reports for the months of December, 2023, and January 2024.

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## Recommendation

Staff recommend the HRA approve the expenditures for the period December 1, 2023, through January 31, 2024.

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## Attachments and Other Resources

- Check Reports

## Vision Statement

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



City of Fridley, MN

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-HRA-APBNK-HRA						
hra-311	CENTER FOR ENERGY & ENVIRONMENT (CEE)	12/06/2023	Regular	0.00	80,307.68	31062
HRA-559	MCDONALD, SANDRA	12/06/2023	Regular	0.00	5,000.00	31063
HRA-558	SNELL, DANA	12/06/2023	Regular	0.00	500.00	31064
hra-506	ECONOMIC DEVELOPMENT ASSOC OF MN-EDA	12/13/2023	Regular	0.00	770.00	31065
hra-1113	MONROE MOXNESS BERG PA	12/13/2023	Regular	0.00	1,105.00	31066
HRA-2653	NORTH STATE ADVISERS & ASSOCIATES	12/13/2023	Regular	0.00	2,000.00	31067
HRA-633	CLARKE, ANGELA	12/20/2023	Regular	0.00	3,648.75	31068
HRA-632	COLLINS, COLLEEN	12/20/2023	Regular	0.00	500.00	31069
hra-1404	XCEL ENERGY	12/20/2023	Regular	0.00	13.19	31070
HRA-550	BROWN, STEPHEN	12/27/2023	Regular	0.00	5,000.00	31071
hra-623	FRIDLEY, CITY OF	12/28/2023	Regular	0.00	141,626.44	31072
hra-917	ALLEN, JOHN N.	01/10/2024	Regular	0.00	72,392.49	31073
hra-311	CENTER FOR ENERGY & ENVIRONMENT (CEE)	01/10/2024	Regular	0.00	32,808.00	31074
HRA-634	MCGINN, JON	01/10/2024	Regular	0.00	500.00	31075
hra-1333	MEDTRONIC	01/10/2024	Regular	0.00	287,960.88	31076
HRA-2653	NORTH STATE ADVISERS & ASSOCIATES	01/10/2024	Regular	0.00	2,000.00	31077
hra-334	CARLSON MCCAIN INC	01/24/2024	Regular	0.00	500.00	31078
hra-1113	MONROE MOXNESS BERG PA	01/24/2024	Regular	0.00	680.00	31079

Bank Code APBNK-HRA Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	22	18	0.00	637,312.43
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	22	18	0.00	637,312.43

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	22	18	0.00	637,312.43
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	22	18	0.00	637,312.43

Fund Summary

Fund	Name	Period	Amount
099	Pooled Cash - HRA	12/2023	240,471.06
099	Pooled Cash - HRA	1/2024	396,841.37
			637,312.43



# AGENDA REPORT

**Meeting Date:** February 1, 2024

**Meeting Type:** Housing & Redevelopment Authority

**Submitted By:** Paul Bolin, Assistant Executive Director

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## Title

Approval of the Minutes from the HRA Meeting of December 7, 2023

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## Background

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## Recommendation

Staff recommends the HRA approve the minutes from the meeting of December 7, 2023.

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## Attachments and Other Resources

- HRA Minutes – December 7, 2023

## Vision Statement

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



# Housing and Redevelopment Authority

December 7, 2023

7:00 PM

Fridley City Hall, 7071 University Avenue NE

## Minutes

### **Call to Order**

Chairperson Showalter called the Housing and Redevelopment Authority meeting to order at 7:00 p.m.

### **Present**

Elizabeth Showalter  
Gordon Backlund  
Troy Brueggemeier  
Rachel Schwankl  
Kyle Mulrooney

### **Others Present**

Paul Bolin, HRA Assistant Executive Director  
Joe Starks, Finance Director  
Vickie Johnson, Development Consultant

### **Action Items**

1. Approval of Expenditures.

Motion by Commissioner Mulrooney to approve the expenditures. Seconded by Commissioner Backlund.

Upon a voice vote, all voting aye, Chair Showalter declared the motion carried unanimously.

2. Approval November 2, 2023, Meeting Minutes.

Motion by Commissioner Brueggemeier to approve the meeting minutes of November 2, 2023 as presented. Seconded by Commissioner Schwankl.

Upon a voice vote, all voting aye, Chair Showalter declared the motion carried unanimously.

3. Designation of an Official Newspaper for 2024.

Paul Bolin, Executive Director, stated that the HRA is annually required to designate an official newspaper. He stated that the Minneapolis Star Tribune continues to fill the needs of the HRA.

Motion by Commissioner Backlund to adopt HRA Resolution No. 2023-15 Designating an Official Newspaper for the Year 2024. Seconded by Commissioner Mulrooney.

Upon a voice vote, all voting aye, Chair Showalter declared the motion carried unanimously.

4. Resolution No. 2023-16 Designating an Official Depository for the Year 2024.

Mr. Bolin stated that annually the HRA must designate an official bank, noting that Wells Fargo has been the official bank for both the City and HRA for a number of years. Staff recommends approval of the resolution as presented.

Motion by Commissioner Brueggemeier to adopt HRA Resolution No. 2023-16 Designating an Official Depository for the Year 2024. Seconded by Commissioner Schwankl.

Upon a voice vote, all voting aye, Chair Showalter declared the motion carried unanimously.

5. Resolution No. 2023-17 Adopting Changes and Additions to Housing Programs and Guidelines.

Mr. Bolin stated that the last legislative session provided additional funding for the City to use towards its housing programs. He stated that the HRA and City Council met in a work session in August to discuss potential changes and additions to the programs. He stated that staff then worked with finance staff to better plan. He provided an overview of the proposed changes and additions to the housing programs. He also provided details on the anticipated timing for applications to be received in order to better match with when funding would be allocated.

Commissioner Brueggemeier recognized that the senior deferred loan program is one of the most popular programs and asked the process that is used to ensure the funds are allocated to the appropriate residents. Mr. Bolin commented that the income limit will be helpful. He stated that they did consider two rounds of funding but noted that there will only be one round of funding in 2024 as they will not be allocating funds until March or April this year.

Commissioner Backlund noted a grammatical change.

Chair Showalter referenced the downpayment assistance program and asked if that program would continue to be available under the current terms, or whether that would not be available until April. Mr. Bolin replied that would be delayed until April as well. He stated that the revolving loan fund would remain active as those funds are replenished, but the deferred loan programs will be delayed in order to avoid running a deficit. Chair Showalter referenced the home betterment loan, where it seems likely that only four projects per year would be funded, and asked how those projects would be selected. Mr. Bolin stated that this year it would be first come, first serve. Chair Showalter agreed that could make sense this year but perhaps a lottery system is used in future years.

Mr. Bolin provided details on how the programs are advertised including social media, City newsletter, and public open house.

Motion by Commissioner Backlund to adopt HRA Resolution No. 2023-17 Adopting Changes and Additions to Housing Programs and Guidelines with the noted change. Seconded by Commissioner Mulrooney.

Upon a voice vote, all voting aye, Chair Showalter declared the motion carried unanimously.

6. Proposed 2024 Budget

Joe Starks, Finance Director, provided background information on the proposed 2024 budget that the HRA is asked to consider tonight. He stated that the HRA budget contains three major components which are the General Fund, Housing Program Fund, and TIF District Funds. He highlighted changes related to the proposed 2024 General Fund revenue budget, General Fund expenditure budget, Housing Program Fund revenue budget, Housing Program Fund expenditure budget, and also reviewed other budget assumptions. Staff recommends approval as presented.

Commissioner Mulrooney asked the cash level in the General Fund. Mr. Starks replied that at the end of 2022, the cash balance was \$9,800,000 noting that the actual fund balance was a bit higher.

Commissioner Brueggemeier asked for more information on professional and contractual services. Mr. Starks replied that they are similar, noting that the loan servicing by CEE would fall under contractual while the use of consultants would fall under professional.

Motion by Commissioner Brueggemeier to adopt the proposed 2024 HRA budget. Seconded by Commissioner Schwankl.

Upon a voice vote, all voting aye, Chair Showalter declared the motion carried unanimously.

7. Amendment to the Housing Programs Administration Contract with CEE

Mr. Bolin provided details on the CEE loan program administration, noting that the HRA has contracted with CEE for this service since 1996. He stated that the contracts have been set up in three-year terms and that period is now due. He reviewed the proposed changes to the existing contract and stated that staff recommends that the HRA approve the contract extension and changes through December 31, 2026.

Commissioner Brueggemeier expressed appreciation for the relationship the HRA has with CEE, especially with the new programs anticipated.

Motion by Commissioner Backlund to approve the amendment to the housing programs administration contract with CEE. Seconded by Commissioner Brueggemeier.

Upon a voice vote, all voting aye, Chair Showalter declared the motion carried unanimously.

**Informational Items**

8. Update on Housing Programs

Mr. Bolin provided an update on the November activity within the housing programs as well as year to date information.



Commissioner Schwankl commented that the Front Door and paint programs have been scattered throughout the community and provide more pride in homeownership. She noted that often those projects spur neighbors to similarly invest in their homes.

**Adjournment**

Motion by Commissioner Brueggemeier to adjourn the meeting. Seconded by Commissioner Schwankl.

Upon a voice vote, all voting aye, Chairperson Showalter declared the motion carried and the meeting adjourned at 7:38 p.m.

Respectfully submitted,

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Melissa Moore – City Clerk



# AGENDA REPORT

**Meeting Date:** February 1, 2024

**Meeting Type:** Housing & Redevelopment Authority

**Submitted By:** Paul Bolin, Assistant Executive Director

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## Title

Approval of Resolution 2024-01 - Amendment to Sherman Associates Loan Agreement

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## Background

In 2020 the Authority approved a loan agreement with Sherman Associates, to provide \$600,000 for the construction of the income restricted apartment known as Ursa. The agreement detailed a lengthy formula for determining the amount to be repaid on an annual basis. The agreement listed December 22nd as the date that the annual payment would be due to the City and that the first payment would be due in 2023.

The payment formula is one that relies on a number of calculations of Sherman's operating income and expenses. As the end of 2023 approached, it was determined that a later payment date would be better for both parties. The calculations would be simpler to make and more accurate if they were made using annual audited financial statements for the property. These audited financial statements are completed no later than 120 days past year end. The amended loan agreement would provide the audited financials and a supporting calculation of the loan payment due, by April 30<sup>th</sup> of each year.

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## Recommendation

Staff recommend the approval of HRA Resolution No. 2024-01,

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## Attachments and Other Resources

- HRA Resolution No. 2024-01
- First Amendment to Acquisition Loan Agreement

## Vision Statement

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

## Resolution No. 2024-01

### Modifying Loan Agreement – Sherman Associates

**Whereas,** the Housing and Redevelopment Authority in and for the City of Fridley (the "Authority") has previously entered into a Loan Agreement with Sherman Associates in 2020; and

**Whereas,** the Loan Agreement included a formula for determining annual repayments, beginning in December 2023; and

**Whereas,** it has been determined that all parties to agreement would prefer to use audited year-end financial statements in determining payments; and

**Whereas,** the audited year-end financial statements are completed within the first 120 days of the new year.

**Now, therefore be it resolved,** that the Authority modifies and amends the Loan Agreement and accompanying Promissory Note found on attached First Amendment to Acquisition Loan Agreement.

**Passed and adopted by the Housing & Redevelopment Authority in and for the City of Fridley this 1<sup>st</sup> day of February, 2024.**

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Elizabeth Showalter - Chairperson

Attest:

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Walter T. Wysopal - Executive Director



# AGENDA REPORT

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**Meeting Date:** February 1, 2024

**Meeting Type:** Housing & Redevelopment Authority

**Submitted By:** Paul Bolin, Assistant Executive Director

## **Title**

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Update on Housing Programs

## **Background**

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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**

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- Chart of Loans Issued and Remodeling Advisor Visits

## **Vision Statement**

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

# Fridley Loan Summary Report

## Activity for Period 12/16/2023 - 1/15/2024

Item 4.



Application packets requested/mailed:	This period:	0	Year-to-Date:	0
Residential Advisor Visits:	This period:	3	Year-to-Date:	2
Loans currently in process for residents in your City/Neighborhood:			2	

### Closed Loans

This period:

Year-to-Date:

#### FHF

#### 2-4 Unit Revolving

0.00

Units

0

0.00

Units

0

Total

0.00

0

0.00

0

#### Fridley

Units

0

Units

0

#### Closed End

0.00

0

0.00

0

#### Down Payment Assistance

0.00

0

0.00

0

#### Last Resort

0.00

0

0.00

0

#### Last Resort Emergency Deferred

0.00

0

0.00

0

#### Mobile Home Closed End

0.00

0

0.00

0

#### Multi Family Exterior Closed End

0.00

0

0.00

0

#### Senior Deferred

0.00

0

0.00

0

Total

0.00

0

0.00

0

### Leveraged Funds

This period:

Year-to-Date:

Units

0

Units

0

Total

0

0

Types of Improvements Financed YTD # of Projects % of Total

Types of Properties Financed YTD # % of Total