



Agenda
Minnetonka Economic Development Authority
Monday, December 7, 2020
Following the regular meeting
WebEx

1. Call to Order
2. Roll Call: Carter-Calvert-Schaeppi-Coakley-Kirk-Schack-Wiersum
3. Approval of Agenda
4. Approval of Minutes:
 - A. November 9, 2020 EDA Meeting
5. Business Items:
 - A. 2021 HRA Preliminary Levy
Recommendation: Adopt the resolution (4 votes)
6. Adjourn

**Minutes
Minnetonka Economic Development Authority
Monday, November 9, 2020**

1. Call to Order

Wiersum called the meeting to order at 12:19 a.m.

2. Roll Call

Commissioners Brian Kirk, Rebecca Schack, Susan Carter, Deb Calvert, Bradley Schaeppi and President Brad Wiersum were present.

Commissioner Kissy Coakley was excused from the meeting.

3. Approval of Agenda

Kirk moved, Calvert seconded a motion to accept the agenda as amended by the addendum.

All voted "yes." Motion carried.

4. Approval of Minutes:

A. September 21, 2020 EDA meeting

Calvert moved, Kirk seconded a motion to accept the minutes, as presented.

All voted "yes." Motion carried.

5. Business Items:

A. The Pointe at 801 Carlson Parkway

Kirk moved, Schack seconded a motion to adopt EDA Res. 2020-007 approving change of developer name for contract for private development for property located at 801 Carlson Parkway, and approving the execution of the requested partial releases for the contract for private development and restrictive covenant.

All voted "yes." Motion carried.

6. Adjournment

Calvert moved, Schack seconded a motion to adjourn the meeting at 12:24 a.m.

All voted "yes." Motion carried.

Respectfully submitted,

Kyle Salage
Elections Specialist

**EDA Agenda Item #5A
Meeting of Dec. 7, 2020**

Brief Description 2021 HRA Preliminary Levy

Recommendation Adopt the resolution

Background

On Sept. 21, 2020, the council, acting as the Economic Development Authority (EDA), preliminarily adopted \$300,000 in the Housing and Redevelopment Authority (HRA) levy for 2021. This commitment continues funding of \$75,000 for a sixth year of the 10-year payback to the Special Assessment Construction Fund (SACF) for the city's commitment to the Southwest Light Rail Transit Project. Also, \$100,000 will support the city's Welcome to Minnetonka and Minnetonka Home Enhancement Programs loan programs. Additional contributions of \$50,000 for emergency business assistance and \$50,000 for emergency housing assistance were added as a response to mitigate impacts from COVID-19. The remaining \$25,000 supports business outreach efforts.

HRA Levy Funded Programs

Housing Loan Programs

There continues to be a steady amount of interest in the city's housing loan programs over the past year. As of Nov. 30, 2020, approximately \$435,680 remained available for Minnetonka Home Enhancement and Welcome to Minnetonka loan programs out of a total of \$1,129,492 committed to the programs through the HRA levy and loan repayments. With the balance that was available on Nov. 30, 2020, there is enough funding for approximately 29 new loans. Current interest in the programs indicates that the funds will be utilized by 2027.

Annually, loan repayments, based upon the current outstanding loans, will total approximately \$40,000, which is enough for an additional two to three loans per year. The adopted Economic Improvement Program (EIP) for 2021-2025 recommends \$100,000 annually for these programs in 2021.

Homes within Reach/West Hennepin Affordable Housing Land Trust (HWR/WHAHLT)

- The 2021-2025 EIP does not contemplate additional funding for HWR in 2021, given that HWR received two years' worth of program administration allocation in the 2020 budget. The EIP does recommend funding of \$125,000 per year in 2022-2025 through the HRA Levy.
 - Not directly tied to the HRA Levy, but a related action occurred on Nov. 9, 2020. The city council reallocated approximately \$200,000 of the existing Community Development Block Grant funding to provide direct assistance to income-qualified Homes Within Reach homeowners to make critical repairs to their property. That program is proposed to be available in early 2021.
- During the Sept 14, 2020, city council study session, the city council discussed revisiting the discussion to fund Homes Within Reach during the 2022-2026 EIP review. The

council requested to receive additional information from Homes Within Reach prior to committing to future funding.

Emergency Housing Assistance

On April 20, the city council approved funding for an emergency rental assistance program to assist Minnetonka residents impacted by COVID-19. To establish the program, the city approved a temporary ordinance that allows the city to set up an affordable housing trust fund (AHTF) for this purpose. The city dedicated \$150,000 of the existing fund balance from the Development Fund. This amount represented the balance of conduit bond administrative fees collected by the city, which are available for this purpose and not committed to other programs.

- The 2021-2025 EIP recommended that the council consider establishing a permanent AHTF to allow the city to continue these efforts.
 - The city council approved a permanent Affordable Housing Trust Fund on Nov. 9, 2020, which will allow the city to provide rental and mortgage assistance in 2021 and future years.
- The 2021-2025 EIP recommends a contribution of \$50,000 through the HRA levy to continue housing assistance in 2021.

Business

Business Outreach

There is a fund balance of \$64,445 to assist with business outreach. Staff dedicated a portion of these funds to distribute a bi-annual business newsletter to engage the business community. This effort supports business retention and expansion in the community. The inaugural edition of the Thrive Newsletter was distributed in July 2018, and staff anticipates two to three publications a year in future years. Online subscribers to business-related content through the city has grown to 680 recipients since January 2019.

In 2019, staff began in-person business retention visits with business owners. Prior to COVID-19, staff was able to conduct eight site visits. Outreach work continues primarily through virtual means, and staff has been vigilant in keeping businesses informed on COVID related issues. Additionally, business retention visits were identified as a priority in the council's strategic profile action steps.

Staff is in the process of developing a business resource brochure to be used when meeting with businesses and developers. The adopted EIP for 2021-2025 recommends funding of \$25,000 to continue expanding business outreach efforts.

Emergency Business Assistance

On April 6, the city council approved funding for an emergency forgivable loan program to assist eligible small businesses impacted by the COVID-19 pandemic. The city utilized \$225,000 of the HRA levy's existing fund balance to provide up to \$7,500 for eligible expenses.

- The federal CARES funding will reimburse the city for the initial \$225,000 that was committed to this effort in 2020.

- The 2021-2025 EIP recommends a one-time contribution of \$50,000 in 2021, through the HRA levy, to provide continued business support for those impacted by COVID-19.

Southwest Light Rail Transit (SWLRT)

Green Line Extension. In July 2015, the city council committed \$2 million towards the SWLRT project. Initially funded through the Special Assessment Construction Fund, partial payback will occur from the HRA levy funds over 10 years for a total of \$750,000. The city's EIP indicated a cost of \$75,000 per year to be funded through the HRA levy for 2021-2025.

Recommendations

On July 27, 2020, the city council adopted the 2021-2025 EIP, which recommended the 2021 HRA levy to be set at \$300,000 (up from its 2020 level of \$225,000). The indicated uses of the funds are Southwest LRT (\$75,000); Housing Loan Programs (\$100,000), Business Outreach (\$25,000), Emergency Housing and Business Assistance (\$100,000).

The discussion with the EDAC at its June 24, 2020, meeting resulted in the recommendation of a preliminary HRA levy of \$300,000, which is the same recommendation as the adopted 2021-2025 EIP. The EDAC reviewed the HRA budget at its Sept. 17, 2020, meeting. The discussion and any further input were provided to the economic development authority and city council at the meeting on Sept. 21, 2020.

During the Aug. 24, 2020, city council budget study session and Sept. 21, 2020 council meeting, the city council discussed the preliminary HRA levy consistent with the 2021-2025 EIP recommendation. Per the discussion, a 2021 proposed HRA levy of \$300,000 and a 2021 HRA budget is illustrated below:

(\$ thousands)	EIP	EDAC	2021 Proposed HRA Levy
SW Light Rail	\$75	\$75	\$75
Homes within Reach	0	0	0
Housing Loans	100	100	100
Business Outreach	25	25	25
Emer. Business	50	50	50
Emer. Housing	50	50	50
Total HRA Levy	\$300	\$300	\$300

Recommendation

Staff recommends approval of the resolution setting the 2021 HRA levy at \$300,000.

Submitted through:

Geralyn Barone, City Manager
 Darin Nelson, Finance Director
 Julie Wischnack, AICP, Community Development Director

Originated by:

Alisha Gray, EDFP, Economic Development and Housing Manager

Supplemental Information:

[EDAC Meeting – June 25, 2020 \(2021-2025 EIP\)](#)

- [Minutes](#)

[City Council Meeting – July 27, 2020 \(2021-2025 EIP\)](#)

- [Minutes](#)

[City Council Meeting – Sept. 21, 2020 \(Preliminary HRA Levy\)](#)

- [Minutes](#)

EDA Resolution No. 2020-

Resolution setting a 2021 H.R.A. tax levy and budget

Be it resolved by the Economic Development Authority of the city of Minnetonka, Minnesota, as follows:

Section 1. Background.

- 1.01. On May 2, 1988, by Resolution 88-8637, and amended on May 9, 1994, by Resolution 94-9715, the city council established the Economic Development Authority (EDA) of the City of Minnetonka, and effective June 15, 1988, transferred to the EDA the control, authority, and operation of all projects and programs of the city's Housing and Redevelopment Authority (HRA). On Mar. 8, 2010, the city council became the appointed EDA.
- 1.02. Minnesota Statutes 469.033, Subdivision 6 authorizes housing and redevelopment authorities the power to levy a tax upon all taxable property within its district to finance housing and redevelopment programs subject to the consent of the city council.
- 1.03. The law and council resolutions further require the EDA to file a budget in accordance with the budget procedure of the city in the same manner as required of executive departments of the city and all actions of the authority to be approved by the city council.
- 1.04. State law requires the city to certify to the county a preliminary HRA tax levy by Sept. 30, 2020, and a final HRA budget and levy to be adopted, approved, and certified to the county by Dec. 28, 2020.
- 1.05. On Sept. 21, 2020, the EDA approved a preliminary 2020 HRA tax levy of \$300,000.

Section 2. Findings.

- 2.01. The EDA finds that an annual budget and tax levy of \$300,000 for levy in 2020, collectible in 2021, will fund housing and redevelopment activities of the authority in 2021.

Section 3. Authorization.

- 3.01. The 2021 HRA budget and tax levy are hereby approved.

- 3.02. The city council is requested to consent and approve by resolution the 2020 HRA budget and tax levy and to direct the City Clerk to transmit a certified copy of the resolution to the Hennepin County Director of Property Tax and Public Records.

Adopted by the Economic Development Authority of the City of Minnetonka, Minnesota, at a duly authorized meeting held on Dec. 7, 2020.

Brad Wiersum, President

Attest:

Becky Koosman, Secretary

Action on this resolution:

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the EDA of the City of Minnetonka, Minnesota, at a duly authorized meeting held on Dec. 7, 2020

Becky Koosman, Secretary