City of Blaine
Economic Development Authority

September 16, 2024 | 8:00 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

The purpose of the Blaine Economic Development Authority is to increase the City's commercial/industrial tax base, provide employment opportunities, undertake redevelopment to enhance and maintain neighborhood economic stability, and address special needs, such as senior housing. As authorized under Minnesota State statutes, the Blaine City Council also serves as the Blaine Economic Development Authority.

AGENDA

1. Call to Order

2. Roll Call

3. Approval of Minutes

3.1. 2024-405 Approval of the September 4, 2024 Economic Development Authority (EDA) Minutes
Sponsors: Erik Thorvig, Community Development Director

4. Public Hearing

4.1. RES 24-174 Resolution Approving for the Sale of the EDA Owned Property in the 105th Avenue Redevelopment District
Sponsors: Erik Thorvig, Community Development Director

5. New Business

5.1. RES 24-166 Resolution Authorizing a Contract with Refined Lending for an Interest Rate Buydown on Home Mortgages
Sponsors: Elizabeth Showalter, Community Development Specialist

5.2. RES 24-167 Resolution Approving Modification of Terms for Down Payment Assistance Program and Utilizing the Local Affordable Housing Aid Fund for Ongoing Funding for the Program
Sponsors: Elizabeth Showalter, Community Development Specialist

5.3. RES 23-156 Resolution Adopting the Proposed 2025 Blaine Economic Development Authority Property Tax Levy, Having all the Powers of a Housing Redevelopment Authority

Sponsors: Jason Zimmerman, Finance Director

6. Old Business

7. Adjournment

City of Blaine
Economic Development Authority

September 4, 2024 | 8:00 PM
Blaine City Hall
10801 Town Square Drive NE
Blaine, MN 55449

MINUTES

1. Call to Order

The meeting was called to order at 9:14PM by President Sanders followed by the Roll Call.

2. Roll Call

PRESENT: President Tim Sanders, Commissioners Terra Fleming, Leslie Larson, Chris Massoglia, Tom Newland, and Jess Robertson.

ABSENT: Commissioner Lori Saroya.

Quorum Present.

ALSO PRESENT: City Manager Michelle Wolfe; Community Development Director Erik Thorvig; City Planner Sheila Sellman; Director of Administrative Services Scott Johnson; Public Works Director Nick Fleishhacker; Safety Services Director/Police Chief Brian Podany; Finance Director Jason Zimmerman; Director of Engineering Dan Schluender; City Attorney Tom Loonan; and City Clerk Catherine Sorensen.

3. Approval of Minutes

3.1. 2024-366 Approval of the June 15, 2024 Economic Development Authority (EDA) Minutes.
Sponsors: Erik Thorvig, Community Development Director

Moved by Commissioner Newland, seconded by Commissioner Robertson, that the Minutes of June 15, 2024, be approved.

Motion adopted unanimously.

4. New Business

4.1. RES 24-164 Resolution Granting an Access Agreement to EB Blaine, LLC
Sponsors: Erik Thorvig, Community Development Director

Community Development Director Thorvig stated the developer of the 105th Avenue Redevelopment project intends to perform certain site investigation and preparation activities on EDA owned property including, but not limited to, accessing the EDA property, hauling materials and equipment through the EDA property, activities related to investigation and installation of roadway, utilities, infrastructure construction and general site work. This activity will begin in 2024, prior to the EDA transferring property to the developer. Therefore, an agreement has been prepared to allow the developer access to EDA-owned property to complete said work. Other agreements will be in place specifically related to the improvements that are occurring, including the master development agreement and infrastructure development agreement. These agreements will require engineering plans and certain financial guarantees, which is typical when public improvements are being completed by a developer.

Moved by Commissioner Robertson, seconded by Commissioner Massoglia to adopt a Resolution Granting an Access Agreement to EB Blaine, LLC.

Motion adopted unanimously.

5. Old Business

Mr. Thorving explained staff would be sending the city council information regarding the upcoming Blaine Business Appreciation Day, which would be held on Monday, September 23.

6. Adjournment

Moved by Commissioner Robertson, seconded by Commissioner Newland, to adjourn the meeting at 9:16PM.

Motion adopted unanimously.

City of Blaine
Staff Report
File Number: RES 24-174

Agenda Date	Status
September 16, 2024	

In Control	File Type
Economic Development Authority	Resolution

Public Hearing - Erik Thorvig, Community Development Director

Agenda Item # 4.1

Resolution Approving for the Sale of the EDA Owned Property in the 105th Avenue Redevelopment District

Executive Summary

Background

The City of Blaine has acquired certain property within the 105th Avenue Redevelopment district since 2016. The EDA currently owns the following properties:

10610 Nassau Street
10550 Nassau Street
10524 Nassau Street
10601 Nassau Street
10549 Nassau Street
10525 Nassau Street
2111 105th Avenue
10550 Radisson Road
10590 Radisson Road
10600 Radisson Road
2150 106th Lane
2190 106th Lane

To date, the EDA has paid $8,408,311 with existing EDA cash for the purchases. An appraisal, paid for by the City, was completed for the entire area to be acquired by the developer, including City and EDA property. The appraisal valued the land as vacant, commercial value. The appraisal identified a value of $11 per square foot of land. The developer will be acquiring a total of 973,130 square feet of land. This includes one property owned by the City of Blaine which is being considered by separate action. This equates to an overall purchase price of $10,704,430.

A purchase agreement is currently being drafted that encompasses both the City and EDA-owned property. The purchase agreement identifies a targeted closing date for the week of October 7, 2024. The buyer is Blaine Town Center East, LLC, which is the master developer. The total purchase price is $10,704,430. Any property acquired by the EDA that has an existing lease will be transferred to the buyer. Based on the closed session discussion by the City Council on September 9, 2024, certain components of the purchase agreement are being finalized. Minnesota State Statute requires a public hearing prior to an Economic Development Authority selling property.

Strategic Plan Relationship

The 105th Redevelopment Area is identified in the Strategic Plan.

Board/Commission Review

Not applicable.

Financial Impact

The overall purchase price is $10,704,430. A portion of the purchase proceeds will be utilized to reimburse the city for their expenditure on the purchase of 2043 105th Avenue. The EDA will net $3,704,430 in proceeds from the sale.

Public Outreach/Input

A public hearing is required for the EDA to sell property. Notification of the public hearing was provided in the city's official newspaper.

Staff Recommendation

By motion, adopt the resolution.

Attachment List

None

City of Blaine

Signature Copy

Resolution: RES 24-174

Resolution Approving for the Sale of the EDA Owned Property in the 105th Avenue Redevelopment District

WHEREAS, the City of Blaine Economic Development Authority owns the following properties;

10610 Nassau Street
10550 Nassau Street
10524 Nassau Street
10601 Nassau Street
10549 Nassau Street
10525 Nassau Street
2111 105th Avenue
10550 Radisson Road
10590 Radisson Road
10600 Radisson Road
2150 106th Lane
2190 106th Lane

WHEREAS, Blaine Town Center East LLC desires to acquire property from the Blaine Economic Development Authority for redevelopment of the 105th Avenue Redevelopment area; and

WHEREAS, a purchase agreement has been prepared by both parties and is in substantially complete form.

NOW, THEREFORE, BE IT RESOLVED by the Economic Development Authority of the City of Blaine hereby approves entering into a purchase agreement with Blaine Town Center East LLC; and

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Economic Development Authority of the City of Blaine hereby authorizes legal counsel and city staff to finalize the substantially completed agreement and provides discretion to said individuals to determine whether there are substantial enough changes that would need further approval by the authority; and

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Economic Development Authority of the City of Blaine hereby authorizes the president and executive director to execute a final agreement and necessary closing documents.

PASSED by the Blaine Economic Development Authority this 16th day of September, 2024.

City of Blaine
Staff Report

File Number: RES 24-166

Agenda Date	Status
September 16, 2024	

In Control	File Type
Economic Development Authority	Resolution

New Business - Elizabeth Showalter, Community Development Specialist

Agenda Item # 5.1

Resolution Authorizing a Contract with Refined Lending for an Interest Rate Buydown on Home Mortgages

Executive Summary

The City Council directed staff at the July 15 City Council Workshop to pursue an interest rate buydown program with a local lender. Following release of a request for proposals, staff is recommending the EDA select Refined Lending as the lender partner for this program.

Background

Staff released an RFP seeking a lending partner for a forward commitment for an interest rate buydown. The RFP was advertised on the City's website and on the League of Minnesota Cities market place. The RFP was sent via email to the following local banks/credit unions who are locally owned or operated and offer FHA and VA loans:

- Blaze Credit Union
- Cortrust Bank
- Manifi Credit Union
- Premier Banks
- Refined Lending
- Wings Financial Credit Union

The RFP requested responses for a 2-point buydown and asked respondents to address experience working with first-time home buyers, buyers in Blaine, commitment to fair housing, and capacity to market the program. One response was received, from Refined Lending, and satisfactory responses were provided to all aspects of the RFP. The full response is attached.

Refined Lending is located at Highway 65 and 93rd Avenue and is a division of Luminate Home Loans.

Refined Lending has experience working with first-time home buyers through the home purchase assistance programs offered by the Minnesota Housing Finance Agency and offers services in English and Spanish, including multiple bilingual staff members and loan applications in Spanish. Over the past five years, Refined Lending has originated $245 million in mortgages in Anoka County and $110 million in mortgages in the City of Blaine.

They are proposing to offer loans to borrowers with at least a 620 credit score (considered fair). The rates quoted are 5.250% (5.766 % APR) for conventional loans and 4.75% (5.514% APR) for FHA/VA loans. These are extremely competitive interest rates. Staff reviewed publicly available interest rates for other lenders and found that the starting rate, prior to the buydown, was lower than any other available rate. The table below includes the rates and associated monthly payments for the proposed loan products, based on interest rates at the time of RFP submission. Actual interest rates will be based on pricing at the time of contract execution.

Conventional Loans

	Refined Lending Starting Rate	Rate with Buydown
Rate	5.500% (5.919% APR)	5.250% (5.766% APR)
Monthly payment on $300,000 loan	$1,783.06	$1,753
Cost of buydown		$6,000
Savings over life of loan		$10,545
Monthly payment on $200,000 loan	$1,188	$1,169
Cost of buydown		$4,000
Savings over life of loan		$7,030

FHA/VA Loans

	Refined Lending Starting Rate	Rate with Buydown
Rate	5.00% (5.701% APR)	4.75% (5.514% APR)
Monthly payment on $300,000 loan	$1,741	$1,706
Cost of buydown		$6,000
Savings over life of loan		$12,739
Monthly payment on $200,000 loan	$1,161	$1,137
Cost of buydown		$4,000
Savings over life of loan		$8,493

Refined Lending has proposed an initial expenditure of $40,000, which would yield $2,000,000 in mortgages at the negotiated rates. Staff is recommending approval of the initial $40,000 with a contract outlining the responsibilities of the lender as well as authorization for an additional $40,000 expenditure to be made if the initial $2,000,000 in mortgages are exhausted prior to March 31, 2025.

The proposed program terms are:

- Income limit: 80% of Area Median Income (household size adjusted and based on Adjusted Gross Income).
- Purchase price limit: $450,000.
- Borrowers must be first time homebuyers purchasing a home in Blaine.
- Borrowers must occupy the home as a primary residence.
- Single family detached homes are eligible at the quoted rates, condos and townhomes must be FHA approved and are subject to rate adjustments, owner occupied 2-4 unit properties are eligible, subject to rate adjustments.
- Minimum credit score of 620 (rate adjustments may apply).

Strategic Plan Relationship

Not applicable.

Board/Commission Review

Not applicable.

Financial Impact

The program will be funded through the restricted Local Affordable Housing Aid funds distributed to the City of Blaine from the State of Minnesota. These are restricted funds and can only be used for affordable housing purposes outlined in statute.

Public Outreach/Input

Not applicable.

Staff Recommendation

By motion, adopt the resolution.

Attachment List

1. Refined Lending RFP Response

City of Blaine

Signature Copy

Resolution: RES 24-166

Resolution Authorizing a Contract with Refined Lending for an Interest Rate Buydown on Home Mortgages

WHEREAS, the EDA has received $146,353 in local affordable housing aid; and

WHEREAS, an interest rate buydown program offers a unique tool to assist first-time homebuyers; and

WHEREAS, Refined Lending was the only qualified respondent to a Request for Proposal advertised for this service and demonstrates the capability to administer and market the program; and

WHEREAS, a program limited to buyers at or below 80% of Area Median Income and a maximum purchase price of $450,000 is the most effective use of limited funds to support affordable homeownership;

NOW THEREFORE, BE IT RESOLVED, that the Blaine Economic Development Authority hereby authorizes the Executive Director to execute a contract with Refined Lending for a forward commitment for $5,000,000 in mortgages with a fee of $40,000.

BE IT FURTHER RESOLVED, that an additional commitment for $5,000,000 with a fee of $40,000 is authorized if the initial commitment is exhausted prior to March 31, 2025.

PASSED by the Blaine Economic Development Authority this 16th day of September, 2024.

BlaineMN.gov
Live | Work | Grow

REFINED LENDING
Powered by Luminate Home Loans NMLS# 150953

City of Blaine
Welcome HOME Loan

First Time Homebuyer Interest Rate Buydown Program

About Us

Refined Lending is a Division of Luminate Home Loans. Currently we rank in the top 30 Mortgage companies in the United States with $3.4 Billion in Annual volume. We are located in Blaine off of Highway 65 and 93rd Ave in the business district.

Our RL community is determined and eager to make changes by focusing time, effort, and resources into making a difference—not only within ourselves but also throughout the communities we serve. We firmly believe that everyone should have access to homeownership. We aim to be a leader in our industry by creating more opportunities for people to change their lives through the power of homeownership.

REFINED LENDING

Luminate Home Loans
NMLS# 150953

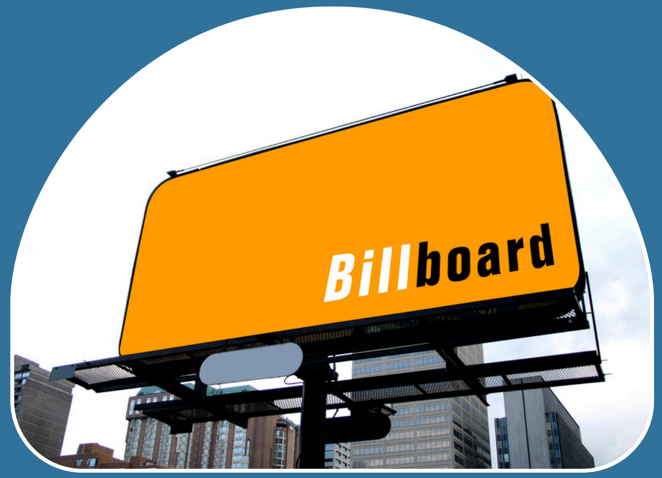
Marketing the Program

Online SEO Marketing

Program specific Landing Page on the Refined Lending and/or City of Blaine website.

Email Marketing

We have contact information for all licensed Real Estate Agents in Minnesota and can reach out via Email Campaigns.



Local Visibility

We own a LED Billboard that faces Highway 65 and is viewed by over 100K people a day in Blaine.

Social Media

Our in-house marketing team can create custom social media campaigns from the Refined Lending Social pages promoting City of Blaine and the program.

Fair Housing

At Refined Lending powered by Luminate Home Loans, fair housing means every client has a safe, suitable and accessible place to call home regardless of their race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, gender identity or sexual orientation.

Our fair housing policy incorporates requirements of civil rights laws, including the federal Fair Housing Act, and Americans with Disabilities Act. However, it means more than simply following the law.

Our policy includes furthering fair housing by helping ensure families have a choice of where to live, shrinking disparities in homeownership and more.

We know housing is the foundation for success, and housing in vibrant and diverse communities will truly allow all to thrive.

EQUAL HOUSING LENDER

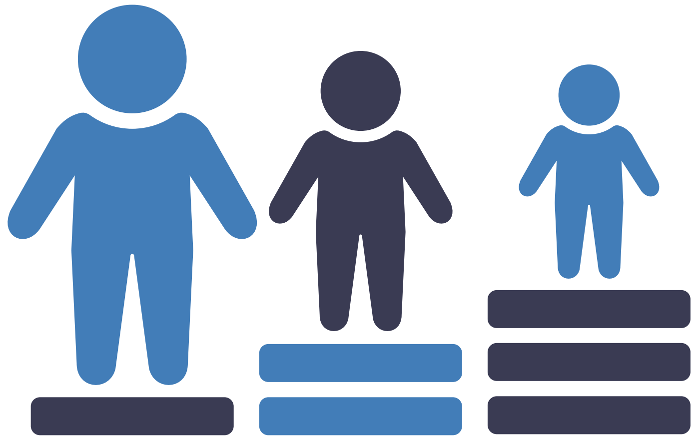
Experience

First Time Homebuyers at or below 80% of Area Median Income

At Refined Lending, we have consistently ranked in the top 80% for Down Payment Assistance (DPA) programs under the Area Median Income (AMI) guidelines in Anoka County every year since our inception in 2018. This achievement reflects not only our company's overall success but also the exceptional performance of our loan officers, many of whom have attained Platinum Level recognition with Minnesota Housing. Our commitment to helping first-time homebuyers is evident in our extensive offering of DPA programs across the country. Our knowledgeable staff is highly skilled in guiding clients through these programs, ensuring they have the resources and support needed to achieve their homeownership goals.

Diversity

We acknowledge that everyone is different and no two communities look exactly the same. Our differences can stem from our ethnicity, gender, religion, sexual orientation, socioeconomic status, age, life experiences, etc. Unfortunately and historically, diverse communities have been underserved in the mortgage industry and we want to work to change that.



Equity

When you think of equality, picture three people are given the same size box to stand on. In concept, this seems fair, but what happens when people have different heights, needs, etc.? You get inequality. Instead, we strive for equality through equity because we recognize that some people need a taller box to reach a truly fair outcome for all.

Inclusion

We know that so many people face unnecessary barriers to homeownership and financial literacy. Our inclusion efforts involve ensuring that everyone truly feels welcome when making a home purchase. Homeownership, credit education, and understanding income are just the first steps we take in our community education efforts

At Refined Lending, we are proud to **offer our services in both English and Spanish** to better serve our diverse client base. We have multiple bilingual staff members who are available to assist clients throughout the entire mortgage process. Additionally, we provide application materials in Spanish, ensuring that our clients have access to the information they need in the language they are most comfortable with. Our commitment to inclusivity helps us make the dream of homeownership accessible to everyone.

Experience

Offering forward Commitments

At Refined Lending, we have extensive experience in offering and managing forward commitments, ensuring smooth and reliable transactions for our clients. Our track record in this area is supported by numerous successful projects, and we are happy to provide referrals who can vouch for our expertise and dedication to delivering results.

Forward Commitment Examples

Due to confidentiality regulations, we are unable to share specific names or details of prior forward commitments. However, we encourage you to reach out to our VP of Capital Markets to discuss purchasing commitments.

Experience

In the past five years the Refined Lending Blaine location has originated $1,397,439,586 total.
June 2019- June 2024

$245,096,422 was in Anoka County.

$110,251,652 was in the City of Blaine.

Blaine Preferred Rate- Welcome Home Loan

Details:
Minimum FICO: 620
Location: City limits of Blaine
Property Type: Single Family Homes / Town Homes/Condo

- To reach the $500,000 loans size, depending on the buyer’s other debt, they may not qualify to go up this high in loan size. The debt to income ratio may exceed mortgage product guidelines.

- Price/Rate will vary depending on the following:
    - Condos are priced differently and require the HOA to be approved by Fannie Mae, Freddie Mac, or FHA.
    - Multi-Unit properties are available if owner-occupied but will need additional rate adjustments for units 2-4.

EQUAL HOUSING LENDER

Products & Pricing

Conventional-
FANNIE MAE | FREDDIE MAC

*Consumer Facing Advertising based on rates pulled 8/21/24.

Blaine Preferred Rate	Blaine Preferred Plus Rate With 1 Discount Point upfront fee paid by borrower
5.500% Rate | 5.919% APR	5.250% Rate | 5.766% APR

Qualifications:

- Minimum Fico Score 620
- First Time Home Buyer
- 80% AMI
- Conforming loan limit (meeting 80% AMI and qualifying DTI)
- *Adjustments for Condo property types will be per LTV overlays. See sales for details.*

EQUAL HOUSING LENDER

Products & Pricing

FHA & VA

*Consumer Facing Advertising based on rates pulled 8/21/24.

Blaine Preferred Rate

5.00% | 5.701%

Rate APR

Blaine Preferred Plus Rate

With 1 Discount Point upfront fee paid by borrower

4.75% | 5.514%

Rate APR

Qualifications:

- Minimum Fico Score 620
- First Time Home Buyer
- 80% AMI
- *Condo's must be approved by HUD prior to application.*

EQUAL HOUSING LENDER

In connection with the Lender Refined Lending a division of Luminate Home Loans NMLS 150953, The City of Blaine does not make or arrange loans. It is neither an originator nor creditor and is not affiliated with any Lender. The terms of any mortgage finance transactions conducted in connection with these programs, including important information such as loan fees, the annual percentage rate (APR), repayment conditions, disclosures, and any other materials which are required to be provided to the consumer are the responsibility of the Lender.

EQUAL HOUSING LENDER

Forward Agreement- Conditions and Terms

"City of Blaine" agrees to pay the non-refundable fee based on the following conditions:

- Also submitted as a separate attachment.

Conditions

· Fee is non-refundable and made payable to Luminate Home Loans, Inc.

· Commitment amount is the aggregate total mortgages that fund and close by the commitment expiration date

· Seller concessions may be used for any allowable fees, including but not limited to origination fees, lender fees, third party fees, and temporary buydown subsidies

· Quote provided will have baseline loan characteristics, including fico, credit score, and more

o Additional loan level price adjustments may apply depending on the individual loan characteristics for each transaction

· Loan must close and fund by the commitment expiration date

· City of Blaine will not be responsible for any pair off fees for market movement on any unused portion of the commitment amount

· Extensions are available at a cost, charged to the City of Blaine or Seller (Purchase)

o 2 basis points per day for days 1-10
o Days 11-20, extensions are 5 basis points per day
o After day 20, price is subject to current market

Forward Agreement- Conditions and Terms

Commitment Amount:	$2,000,000 loan amount
Product Type:	30 Year Fixed
Expiration Date:	8/21/2024
Interest Rate:	5.50% Conventional | 5% FHA
Base Price for rate:	98.00 – 2 points buy down
Price (fee to be paid by City):	$40,000

Pricing is based off the following Loan parameters (base price will be adjusted if loan parameters change):

LTV:	97% Conforming | 96.50 FHA | 100% VA
FICO:	620
Property Type:	SFR

Thank you!

City of Blaine
Staff Report

File Number: RES 24-167

Agenda Date	Status
September 16, 2024	
In Control	**File Type**
Economic Development Authority	Resolution

New Business - Elizabeth Showalter, Community Development Specialist

Agenda Item # 5.2

Resolution Approving Modification of Terms for Down Payment Assistance Program and Utilizing the Local Affordable Housing Aid Fund for Ongoing Funding for the Program

Executive Summary

Staff is proposing modifications to the existing down payment assistance progam to better meet the needs of first time homebuyers while maintaining a sustainable level of spending. Staff is also proposing to fund the program out of Local Affordable Housing Aid when funds are available in that account.

Background

The EDA began offering a Down Payment Assistance Program (DPA) in 2022 utilizing excess funds in the Home Improvement Loan (HIL) fund. The assistance is structured as a deferred loan and repayment is required if the home is sold prior to the 30 year term. In 2023, $100,000 of down payment assistance was provided, which served 15 households, an increase from $45,000 and 7 households in 2022. To date, $48,300 has been expended in 2024 serving 8 households. When the program was created, staff recommended implementing the program without an annual budget with the expectation that an annual budget may be needed at some point to maintain solvency of the HIL fund for this and other purposes. Additionally, the approval of the DPA program was part of a planned 5-year spend down of excess funds in the HIL fund that were not needed to maintain the baseline revolving loans and last resort loans funded out of the account. Therefore, a long term funding source must be identified in the next two years to allow the program to continue.

The previous item on the EDA agenda authorizes an interest rate buydown program, which will facilitate mortgages with a lower interest rate for qualifying borrowers with incomes at or below 80% of Area Median Income. In anticipation of that program, staff want to ensure the down payment assistance program is not over burdened by the potential increased interest from first time homebuyers for assistance from the EDA.

To address the need to limit spending on the DPA program to allow for spending on other housing programs and to allow for funding of the DPA program on an ongoing basis, staff is proposing modifications to the terms of the program, addressing feedback from homebuyers and realtors and funding the program out of the Local Affordable Housing Aid (LAHA). The City Council directed staff at the July 15, 2024 City Council meeting to fund the DPA program out of the LAHA fund since it is a more restrictive fund and would provide for ongoing funding for the program, as opposed to the current spend down.

The existing and proposed program terms are highlighted in the table.

	Current Terms	Proposed Terms	Reason for Change
Amount	$10,000 for borrowers who currently live or work in Blaine.	$10,000 for borrowers who currently live or work in Blaine.	No change proposed.
Income Limit	$5,000 for all other borrowers. 110% of Area Median Income. $136,620 for a family of four $109,340 for a family of two.	$5,000 for all other borrowers. 90% of Area Median Income. $111,800 for a family of four, $99,400 for a family of two.	Less than 10% of the households served by the current program had incomes over 90% of Area Median Income. By increasing the purchase price limit, staff is concerned that demand for the program will increase in the higher income ranges, which would reduce the funds available for households at lower incomes.
Maximum Purchase Price	$375,000 (median sale value of all homes).	$450,000 (median sale value of single family detached homes).	Townhomes make up 17% of the owner-occupied housing in the city, but 37% of home sales. Staff recommend using the median sale value of detached homes to better reflect the ability to purchase the predominant housing type in the city.
Annual Budget	None	$100,000	An annual budget will allow staff to better budget the available funds and responsibly allocate funds to various housing programs.

Strategic Plan Relationship

Not applicable.

Board/Commission Review

Not applicable.

Financial Impact

The changes to the program will create a more consistent annual expenditure on down payment assistance, improving the ability of staff to effectively manage the funding sources for homeownership and home repair programs. Funding the program out of the LAHA affords the EDA the most flexibility in use of funds by utilizing the most restrictive funds for housing programs. Documented direction on program funding will ensure adequate resources to administer this activity.

Public Outreach/Input

The increase in purchase price limit was requested by a few prospective homebuyers/realtors.

Staff Recommendation

By motion, adopt the resolution.

Attachment List

None

City of Blaine

Signature Copy

Resolution: RES 24-167

Resolution Approving Modification of Terms for Down Payment Assistance Program and Utilizing the Local Affordable Housing Aid Fund for Ongoing Funding for the Program

WHEREAS, the EDA has received $146,353.32 in Local Affordable Housing Aid and will continue to receive said aid twice annually; and

WHEREAS, the EDA Down Payment Assistance Program furthers the 2040 Comprehensive Plan goal of providing housing opportunities which meet the needs of all generations and income levels; and

WHEREAS, the EDA Down Payment Assistance Program terms may require adjustment from time to time to accommodate changing market conditions and available funds,

NOW THEREFORE, BE IT RESOLVED, that the Blaine Economic Development Authority hereby approves a modification to the terms of the Down Payment Assistance program to increase the purchase price limit to $450,000, decrease the income limit to 90% of Area Median Income, and establish an annual expenditure of no more than $100,000.

BE IT FURTHER RESOLVED, that the Down Payment Assistance program be funded out of the Local Affordable Housing Aid fund as funds are available. If undesignated funds are not available in the LAHA fund, the program shall be funded out of the HIL fund.

PASSED by the Blaine Economic Development Authority this 16th day of September, 2024.

City of Blaine
Staff Report

File Number: RES 23-156

Agenda Date	Status
September 16, 2024	

In Control	File Type
Economic Development Authority	Resolution

New Business - Jason Zimmerman, Finance Director

Agenda Item # 5.3

Resolution Adopting the Proposed 2025 Blaine Economic Development Authority Property Tax Levy, Having all the Powers of a Housing Redevelopment Authority

Executive Summary

Minnesota Statute 275.065 requires that special taxing authorities, including the Blaine Economic Development Authority, to certify to the county auditor the proposed property tax levy for taxes payable in the following year by September 30th annually.

Background

Minnesota statutes require special taxing districts to certify proposed property tax levies to county auditors by September 30, 2024. The Blaine Economic Development Authority (EDA) functions as a special taxing district and is therefore authorized to levy taxes under these same enabling statutes. In setting the proposed levy, the EDA Board should consider the proposed levy can only be decreased, not increased, prior to the adoption of the final levy in December.

In May 1985, the Blaine Housing and Redevelopment Authority (HRA) was established to promote economic development. State law empowered HRAs with broad authority to engage in redevelopment and economic development activities. Although the HRA was an autonomous organization, the HRA was governed by a board whose members are the current City Council. In December 1988, the Economic Development Authority (EDA) was established to replace the HRA as the vehicle for subsequent economic development activities. The prior city and HRA projects were consolidated under the EDA's authority. In part, this was done because state statute provided the EDA with greater flexibility. As a result of this 1988 reorganization, the EDA continues to levy under HRA authority and funding can be used for both housing and economic development activities.

The Blaine Economic Development Authority functions to offer a wide variety of services to businesses, developers, and real estate professionals, including:

- Assisting in identifying available residential, commercial and industrial sites and buildings.
- Business retention and expansion and business visits.
- Identifying and coordinating redevelopment needs within the community.
- Providing accurate information to various organizations about Blaine development activity.
- Identifying public and private development financing alternatives.
- Coordinating meetings with appropriate public and private sector representatives.
- Coordinating various city approvals for developments.
- Providing staff support to the Blaine Economic Development Authority and City Council.

The proposed 2025 property tax levy of $1,150,000 represents a $150,000 increase over the 2024 amount. The 2024 property tax levy is fully allocated to covering the EDA's annual operating costs. General dialog from the EDA Board at the September 4 City Council Workshop was that this proposed increase be specifically dedicated to targeted development/redevelopment activities. This funding would provide the EDA with greater financial flexibility, including the opportunity to provide financial assistance to develop sites that would be economically infeasible without public assistance, facilitate the acquisition of property for redevelopment purposes, or any other action consistent with the city's strategic goal of economic development.

Following the adoption of the proposed levy, state law requires that counties, school districts, all cities, and all special taxing districts certify their final adopted payable 2025 property tax levies to the county auditor on or before December 30, 2024. The current City budget calendar calls for Blaine to consider adopting the final 2025 levy and budgets at the December 16, 2024, EDA Meeting.

Strategic Plan Relationship

The EDA levy is a component of the city’s strategic priority of Financial Stability.

Board/Commission Review

The EDA/City Council has been provided the opportunity to review the proposed tax levy at individual or small group meetings as well as the September 4 City Council Workshop.

Financial Impact

As the main source of funding for EDA operations, the levy will establish 2025 funding parameters for the EDA.

Public Outreach/Input

No public notification required.

Staff Recommendation

Approve the resolution adopting the proposed 2025 City of Blaine Economic Development Authority property tax levy.

Attachment List

None

City of Blaine

Signature Copy

Resolution: RES 23-156

Resolution Adopting the Proposed 2025 Blaine Economic Development Authority Property Tax Levy, Having all the Powers of a Housing Redevelopment Authority

WHEREAS, the Blaine Economic Development Authority ("EDA") has the powers provided in Minnesota Statutes 469.001 through 469.017; and

WHEREAS, the EDA will continue to develop and implement programs in accordance with the Act and consistent with the City's 2040 Comprehensive Plan; and

WHEREAS, Minnesota Statutes, Section 469.033, Subdivision 6, allows the levy of a special district tax not to exceed 0.0185% (.000185) of taxable market value for purposes specified therein.

NOW, THEREFORE, BE IT RESOLVED, that the Blaine Economic Development Authority approves and consents to a proposed 2025 property tax levy of $1,150,000, not to exceed 0.0185% of taxable market value of the City as authorized and described above.

PASSED by the Blaine Economic Development Authority this 16th day of September 2024.