

REQUEST FOR COUNCIL ACTION

Date: 10/26/15
Item No.: 12.b

Department Approval



City Manager Approval



Item Description: Public Hearing to Consider the Dissolution of the Housing and
Redevelopment Authority

BACKGROUND

On September 14, 2015, the City Council requested staff to further explore the dissolution of the Roseville Housing and Redevelopment Authority (RHRA) and requested that formal notice be published. Public notice was posted in the local Roseville Review on October 13, 2015. From further due diligence and opinions from the RHRA attorney, Martha Ingram, and the City Council Bonding Attorney, Mary Ippel, it was determined that the RHRA has current Federal Funds of Community Development Block Grant (CDBG) loans in place with two developments that does not allow for dissolution of the RHRA under state statute Section 469.033, subd. 7.

In addition, at the October 19, 2015 City Council work session, there was general consensus to begin to move the City towards establishing an Economic Development Authority (EDA). If an EDA is created most and possibly all assets, agreements and obligations of the RHRA can be absorbed into the EDA. If the Federal conflicts are able to be eliminated in the future, it may be possible to dissolve the RHRA at that time.

POLICY OBJECTIVE

These actions are in accordance with the City Council's policy directions on September 14, 2015.

BUDGET IMPLICATIONS

Staff and legal services have been and will continue to be necessary as the City Council moves forward with HRA and EDA actions.

STAFF RECOMMENDATION

1. Open the public hearing and take public comment. Based upon legal opinion, the RHRA can not be dissolved at this time and therefore staff recommends the hearing be closed and the RHRA not be dissolved.
2. Formally direct staff to begin the process to create an EDA and absorb as much of the HRA functions, assets and obligations as is legally permissible.

REQUESTED COUNCIL ACTION

1. Take no action at this time to dissolve the HRA and close the public hearing.

- 28 2. Direct staff to begin the process to create an EDA and absorb as much of the HRA
29 functions, assets and obligations as is legally permissible.

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33 Attachment: A: State Statue Section 469.033 Subd. 7. Inactive authorities; transfer of funds;
34 dissolution

1 **Housing and redevelopment authorities in Minnesota are governed by Minnesota Statutes,**
2 **Sections 469.001 to 469.047, as amended (the “HRA Act”). Section 469.033, subd. 7 of the**
3 **HRA Act provides as follows:**

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7 **Subd. 7. Inactive authorities; transfer of funds; dissolution.**
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9 The authority may transfer to the city in and for which it was created all property, assets,
10 cash or other funds held or used by the authority which were derived from the special benefit tax
11 for redevelopment levied pursuant to subdivision 6 prior to March 6, 1953, whenever collected.
12 Upon any such transfer, an authority shall not thereafter levy the tax or exercise the
13 redevelopment powers of sections 469.001 to 469.047. All cash or other funds transferred to the
14 city shall be used exclusively for permanent improvements in the city or the retirement of debts
15 or bonds incurred for permanent improvements in the city. An authority which transfers its
16 property, assets, cash, or other funds derived from the special benefit tax for redevelopment and
17 which has not entered into a contract with the federal government with respect to any low-rent
18 public housing project prior to March 6, 1953, shall be dissolved as herein provided. After a
19 public hearing after ten days' published notice thereof in a newspaper of general circulation in
20 the city, the governing body of a city in and for which an authority has been created may
21 dissolve the authority if the authority has not entered into any contract with the federal
22 government or any agency or instrumentality thereof for a loan or a grant with respect to any
23 urban redevelopment or low-rent public housing project. The resolution or ordinance dissolving
24 the authority shall be published in the same manner in which ordinances are published in the city
25 and the authority shall be dissolved when the resolution or ordinance becomes finally effective.
26 The clerk of the governing body of the municipality shall furnish to the commissioner of
27 employment and economic development a certified copy of the resolution or ordinance of the
28 governing body dissolving the authority. All property, records, assets, cash, or other funds held
29 or used by an authority shall be transferred to and become the property of the municipality and
30 cash or other funds shall be used as herein provided. Upon dissolution of an authority, all rights
31 of an authority against any person, firm, or corporation shall accrue to and be enforced by the
32 municipality.