



**REGULAR HOUSING AND REDEVELOPMENT AUTHORITY MEETING
VIRTUAL MEETING VIA WEBEX
JANUARY 18, 2022
7:00 PM**

Call to Order

Attendance Roll Call

Consider the election of officers for the Richfield Housing and Redevelopment Authority for 2022.

Staff Report No. 1

Open Forum: To participate live during the open forum dial 612-861-0651.

Approval of the minutes of the regular Housing and Redevelopment Authority meeting of December 20, 2021.

AGENDA APPROVAL

1. Approval of the Agenda
2. **Consent Calendar contains several separate items which are acted upon by the HRA in one motion. Once the Consent Calendar has been approved, the individual items and recommended actions have also been approved. No further HRA action on these items is necessary. However, any HRA Commissioner may request that an item be removed from the Consent Calendar and placed on the regular agenda for HRA discussion and action. All items listed on the Consent Calendar are recommended for approval.**
 - A. Consider resolutions designating official depositories for the Housing and Redevelopment Authority for 2022, including the approval of collateral.

Staff Report No. 2
 - B. Consider the approval of a Right of Entry Agreement with Twin Cities Habitat for Humanity for 6600 Logan Avenue South.

Staff Report No. 3
 - C. Consideration of the adoption of a resolution approving an Assignment and Assumption Agreement of a Development Contract between the Housing and Redevelopment Authority and RM Senior Living Richfield LLC to Gopher (Richfield) LLC for the Havenwood senior housing project.

Staff Report No. 4
3. Consideration of items, if any, removed from Consent Calendar

RESOLUTIONS

OTHER BUSINESS

4. Consider a request for the forgiveness of a Deferred Loan issued to Roger and Eileen Johnson at 7045 Bloomington Avenue South.

Staff Report No. 5

5. Consider approval a proposal for the preparation of a Tax Increment Financing Management Plan by Ehlers, Inc.

Staff Report No. 6

HRA DISCUSSION ITEMS

6. HRA Discussion Items:
- Review the HRA Bylaws
 - Reschedule the February 21, 2022 HRA meeting to Wednesday, February 23, 2022 due to the President's Day Holiday and the regular City Council meeting occurring on the following Tuesday.

EXECUTIVE DIRECTOR REPORT

7. Executive Director's Report

CLAIMS

8. Claims
9. Adjournment

Auxiliary aids for individuals with disabilities are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at 612-861-9738.

AGENDA SECTION:

Call to Order

AGENDA ITEM #



STAFF REPORT NO. 1
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
1/18/2022

REPORT PREPARED BY: LaTonia DuBois, Administrative Assistant

OTHER DEPARTMENT REVIEW: N/A

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Interim Executive Director
1/11/2022

ITEM FOR COUNCIL CONSIDERATION:

Consider the election of officers for the Richfield Housing and Redevelopment Authority for 2022.

EXECUTIVE SUMMARY:

The Bylaws of the Richfield Housing and Redevelopment Authority (HRA) provide that the HRA hold an annual meeting in January. The Bylaws further provide that the Chair, Vice Chair, and Secretary of the HRA be elected at this meeting.

Officers for 2021 were:

- Mary Supple, Chair
- Erin Vrieze Daniels, Vice Chair
- Maria Regan Gonzalez, Secretary

RECOMMENDED ACTION:

By motion: Elect officers for the Richfield Housing and Redevelopment Authority for 2022.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- Provided in the Executive Summary.

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

- The HRA Bylaws provide for the election of officers.

C. CRITICAL TIMING ISSUES:

- The HRA Bylaws require that an election of officers be held at the annual meeting in January.

D. FINANCIAL IMPACT:

N/A

E. LEGAL CONSIDERATION:

None

ALTERNATIVE RECOMMENDATION(S):

None

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Regular Meeting

December 20, 2021

CALL TO ORDER

The meeting was called to order by Chair Supple at 7:01 p.m. via Webex.

HRA Members Present: Mary Supple, Chair; Maria Regan Gonzalez; Sue Sandahl; Erin Vrieze Daniels; and Lee Ohnesorge

HRA Members Absent: None.

Staff Present: Melissa Poehlman, Interim Community Development Director; Julie Urban, Housing and Redevelopment Manager; Kelly Wynn, Administrative Assistant; and LaTonia DuBois, Administrative Assistant.

Others Present: Ryan Schwickert, MWF Properties

OPEN FORUM

No callers.

APPROVAL OF THE MINUTES

M/Regan Gonzalez, S/ Sandahl to approve the minutes of the regular Housing and Redevelopment meeting of November 15, 2021 with edits from Commissioner Vrieze Daniels.

Motion carried 5-0

Item #1

APPROVAL OF THE AGENDA

M/Sandahl, S/Regan Gonzalez to approve the agenda.

Motion carried 5-0

Item #2	CONSENT CALENDAR
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Interim Community Development Director Poehlman presented the Consent Calendar:

- A. Consider a resolution designating buildings located at 6501-13 Penn Avenue South as structurally substandard within the Richfield Redevelopment Project Area and authorizing their demolition (Staff Report No. 41)

RESOLUTION NO. 1415

**RESOLUTION DESIGNATING BUILDINGS AS STRUCTURALLY SUBSTANDARD
WITHIN THE RICHFIELD REDEVELOPMENT PROJECT**

- B. Consider the approval of a resolution accepting donations to the Affordable Housing Trust Fund via the Just Deeds Project (Staff Report No. 42)

RESOLUTION NO. 1416

**RESOLUTION AUTHORIZING RICHFIELD HOUSING AND REDEVELOPMENT AUTHORITY
TO ACCEPT DONATIONS TO THE AFFORDABLE HOUSING TRUST FUND**

M/Sandahl, S/Regan Gonzalez to approve the Consent Calendar.

Motion Carried 5-0

Item #3	CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM THE CONSENT CALENDAR
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None.

Item #4	CONSIDER A RESOLUTION APPROVING THE EXECUTION AND DELIVERY OF A DONATION AGREEMENT WITH METRO CAMPUS 1, LLC TO ACCEPT THE DONATION OF THE OFFICE BUILDING AND PROPERTY AT 1600 78TH STREET EAST (STAFF REPORT NO. 43).
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Interim Community Development Director Poehlman presented Staff Report No. 43.

Commissioner Vrieze Daniels inquired about the plans for the existing billboard.

Interim Community Development Director Poehlman explained the options for the billboard parcel.

Commissioner Sandahl expressed appreciation for the proposal.

Commissioner Vrieze Daniels inquired about another parcel on the other side of Metro Sales and the length of time that parcel has been owned by the HRA and asked that all implications be thought through. Commissioner Vrieze Daniels stated this would be a wonderful donation, but that she wouldn't want to see the parcel go undeveloped.

Interim Community Development Director explained that due to the development of the 77th street tunnel the space would be more desirable for redevelopment.

Commissioner Regan Gonzalez expressed her gratitude for the donation.

Chair Supple echoed Commissioner Regan Gonzalez's gratitude for the donation.

M/Sandahl, S/Regan Gonzalez to approve the attached resolution approving the execution and delivery of a Donation Agreement with Metro Campus 1 LLC.

HRA RESOLUTION NO. 1417

**RESOLUTION APPROVING THE EXECUTION AND DELIVERY OF A DONATION AGREEMENT
WITH METRO CAMPUS 1 LLC**

Motion carried 5-0

Item #5	CONSIDERATION OF A CONTRACT FOR PRIVATE DEVELOPMENT WITH MWF PROPERTIES TO DEVELOP 55 UNITS OF MULTI-FAMILY HOUSING AT 7700 PILLSBURY AVENUE SOUTH (STAFF REPORT NO. 44).
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Housing Manager Urban presented Staff Report No. 44.

Commissioner Ohnesorge inquired about accessible units in the two and three bedroom units.

Housing Manager Urban explained that the decision has not been made regarding which units would be accessible and that the topic is open for discussion.

Commissioner Ohnesorge expressed the desire to spread out the accessible units and explained this would be a good opportunity to do so.

Ryan Schwickert MWF properties explained they are open to working with the HRA to provide specific accessible units.

Commissioner Regan Gonzalez supports Commissioner Ohnesorge's request to spread out the accessible units.

Chair Supple inquired about the amount of units at 30% of the AMI required by the Met Council.

Housing Manager Urban explained how many units would be included at 30% of the AMI throughout the city with current developments and that MWF would be willing to provide additional units if funding was obtained.

M/Sandahl, S/Regan Gonzalez to adopt a resolution approving a Contract for Private Development with MW F Properties for the development of 55 units of multi-family housing at 7700 Pillsbury Avenue South and; adopt a resolution authorizing an internal loan to advance certain costs associated with the proposed development.

HRA RESOLUTION NO. 1418**RESOLUTION APPROVING CONTRACT FOR PRIVATE DEVELOPMENT
WITH MWF PROPERTIES, LLC****HRA RESOLUTION NO. 1419****RESOLUTION AUTHORIZING INTERNAL LOAN FOR ADVANCE OF CERTAIN COSTS IN
CONNECTION WITH A MULTIFAMILY HOUSING DEVELOPMENT PROPOSED BY MWF
PROPERTIES, LLC**

Motion carried 5-0

Item #6	CONSIDERATION OF THE DESIGNATION OF MELISSA POEHLMAN AS INTERIM EXECUTIVE DIRECTOR OF THE HOUSING AND REDEVELOPMENT AUTHORITY (STAFF REPORT NO. 45)
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Interim Community Development Director Poehlman presented Staff Report No. 45

M/Sandahl, S/Regan Gonzalez to designate Melissa Poehlman as the Interim Executive Director of the Housing and Redevelopment Authority coterminous with her appointment as the Interim Community Development Director, but not to exceed six months.

Commissioner Regan Gonzales welcomed and thanked Ms. Poehlman.

Chair Supple also thanked and welcomed Ms. Poehlman for taking on the role as Interim Executive Director.

Motion carried 5-0

Item #7	HRA DISCUSSION ITEMS
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None.

Item #8	EXECUTIVE DIRECTOR'S REPORT
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Interim Executive Director Poehlman shared that the Housing Choice Voucher program waiting list will be opening on January 18, 2021 for the first time since 2015. Applications can be submitted online January 18 to January 28 and in person and phone assistance will also be available.

Housing Manager Urban shared information about an improved process to assist with applications and that some staff would be available for some after-hours assistance and what methods of communication would be used to advertise the opening of the waiting list.

Commissioner Regan Gonzalez expressed excitement for the opening of the waiting list and thanked staff.

Item #9	CLAIMS
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M/Regan Gonzalez, S/Sandahl that the following claims be approved:

U.S. BANK	12/20/2021
Section 8 Checks: 133363 - 133455	\$ 186,791.42
HRA Checks: 34112 - 34126	\$ 112,004.54
TOTAL	\$ 298,795.96

Motion carried 5-0

Item #10	ADJOURNMENT
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The meeting was adjourned by unanimous consent at 7:40 p.m.

Date Approved: January 18, 2022

Mary B. Supple
HRA Chair

LaTonia DuBois
Administrative Assistant

Melissa Poehlman
Interim Executive Director



STAFF REPORT NO. 2
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
1/18/2022

REPORT PREPARED BY: Myrt Link, Community Development Accountant

OTHER DEPARTMENT REVIEW: Jodi Bursheim, Interim Finance Director

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Interim Executive Director
1/6/2022

ITEM FOR COUNCIL CONSIDERATION:

Consider resolutions designating official depositories for the Housing and Redevelopment Authority for 2022, including the approval of collateral.

EXECUTIVE SUMMARY:

In compliance with Minnesota statutes, the Housing and Redevelopment Authority of Richfield (HRA) must designate on an annual basis those financial institutions it does business with.

The following resolutions for the HRA Board's consideration, designate U.S Bank/4M Fund as a depository of HRA funds, and certain savings and loan associations, banks, credit unions and certain financial institutions as depositories for the investment of HRA funds.

RECOMMENDED ACTION:

By motion: Adopt the attached resolutions designating official depositories, with the understanding that the Housing and Redevelopment Authority could not invest in any of the depositories beyond the level of insurance coverage of the pledged collateral.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

N/A

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

- In accordance with Minnesota Statutes Section 118A.01 - 118A.06, the HRA of Richfield must designate financial institutions annually. The institutions must pledge the collateral over and above the amount of federal insurance, as public depositories.
- U.S. Bank acts as the banking institution in the HRA's banking arrangement with the 4M Fund. Monies received, checks written, by the HRA, flow through U.S. Bank, however, at the end of each business day, any proceeds remaining in HRA U.S. Bank accounts are swept to the 4M Fund to be invested. Therefore, at the end of the business day the HRA accounts are zero, which means the collateral requirements of Minnesota Statutes Section 118A.03 are not required. Accordingly, U.S. Bank has met all other statutory requirements and should be considered as a depository for the HRA's vendor accounts and all savings deposits.
- The HRA must also designate annually, certain savings and loan associations, banks, and credit unions as official depositories for deposit and investment of certain HRA funds. With approval of

these official depositories, the HRA will be able to invest funds in these institutions, not exceeding the federal insurance of \$250,000.

Finally, a designation must be made for certain financial institutions as depositories for the investment of HRA funds for 2022. These institutions, such as investment brokerage firms, offer government securities in the manner required by law. These financial institutions include RBC Capital Markets, Raymond James & Associates, Northland Securities, Oppenheimer & Co., Wells Fargo Institutional Retirement and Trust, and the 4M Fund.

C. CRITICAL TIMING ISSUES:

N/A

D. FINANCIAL IMPACT:

N/A

E. LEGAL CONSIDERATION:

- The HRA is required by Minnesota Statute 118A.01 - 118A.06, to designate as a depository of funds, insured banks or thrift institutions. Any collateral so deposited is accompanied by an assignment pledged to the HRA in the amount specified in the attached resolutions.

ALTERNATIVE RECOMMENDATION(S):

None.

PRINCIPAL PARTIES EXPECTED AT MEETING:

None.

ATTACHMENTS:

Description		Type
▢	Resolution Designating Certain Financial Institutions as Depositories	Resolution Letter
▢	Resolution Designating Certain S&L Associations, banks & credit unions as depositories	Resolution Letter
▢	Resolution Designating US Bank a depository of funds	Resolution Letter

RESOLUTION NO.

RESOLUTION DESIGNATING CERTAIN FINANCIAL INSTITUTIONS AS DEPOSITORIES FOR THE INVESTMENT OF HOUSING AND REDEVELOPMENT AUTHORITY OF RICHFIELD FUNDS IN 2022

WHEREAS, the Housing and Redevelopment Authority of Richfield has money which is available for investment; and

WHEREAS, different financial institutions offer different rates of return on investments; and

WHEREAS, the Housing and Redevelopment Authority of Richfield shall purchase U. S. Treasury Bills, U. S. Treasury Notes and other such government securities in the manner required by law from the institution offering the highest rate to the Housing and Redevelopment Authority of Richfield providing greater flexibility in the investment program and maximize interest income thereon.

NOW, THEREFORE, BE IT RESOLVED, by the Housing and Redevelopment Authority of Richfield, Minnesota, in accordance with Minnesota Statutes, Sections 118A.01 – 118A.06, as follows:

1. It is hereby found and determined that it is in the best interest of the proper management of Housing and Redevelopment Authority of Richfield funds that certain financial institutions be designated as additional depositories for Housing and Redevelopment Authority of Richfield funds for 2022.
2. The following financial institutions designated as depositories for the Housing and Redevelopment Authority of Richfield funds:

RBC Capital Markets.	Raymond James & Assoc.
4M Fund	Oppenheimer & Co.
Wells Fargo Institutional Retirement & Trust	
Northland Securities, Inc.	
3. The Finance Director is hereby authorized to deposit the Housing and Redevelopment Authority of Richfield funds in any or all of the depositories herein designated. Such deposits may be made and withdrawn from time to time by the Finance Director's judgment and as the interest of the Housing and Redevelopment Authority of Richfield dictates.
4. The investment of funds and the reporting thereof pursuant to this resolution shall be conducted in accordance with established policies regarding the investment of these funds.

Adopted by the Housing and Redevelopment Authority of Richfield, Minnesota this 18th day of January, 2022.

ATTEST:

Mary B. Supple, Chair

Secretary

RESOLUTION NO.

RESOLUTION DESIGNATING CERTAIN SAVING AND LOAN ASSOCIATIONS, BANKS AND CREDIT UNIONS AS DEPOSITORIES FOR THE INVESTMENT OF HOUSING AND REDEVELOPMENT AUTHORITY OF RICHFIELD FUNDS IN 2022

BE IT RESOLVED, by the Housing and Redevelopment Authority of Richfield, Minnesota:

WHEREAS, pursuant to Minnesota Statutes, Sections 118A.01 – 118A.06, municipal funds may be deposited in any Savings and Loan Association, Bank or Credit Union which has its deposits insured by the Federal Deposit Insurance Corporation (FDIC), or National Credit Union Administration (NCUA); and

WHEREAS, the amount of said deposits may not exceed the FDIC/NCUA insurance covering such deposits which insurance amount is presently \$250,000; and

WHEREAS, the deposit of Housing and Redevelopment Authority funds in Savings and Loan Associations and Banks would provide greater flexibility in the Housing and Redevelopment Authority's investment program and maximize interest income thereon.

NOW, THEREFORE, BE IT RESOLVED, by the Housing and Redevelopment Authority of Richfield, Minnesota, as follows:

1. It is hereby found and determined that it is in the best interest of the proper management of Housing and Redevelopment Authority funds that certain Savings and Loan Association and Banks be designated as additional depositories for Housing and Redevelopment Authority funds for 2022.
2. It is further found and determined that the purpose of such depository designation is to facilitate the proper and advantageous investments of Housing and Redevelopment Authority funds and that such designation is not exclusive nor does it preclude the deposit of any Housing and Redevelopment Authority funds in other officially designated depositories of the Housing and Redevelopment Authority.
3. The Finance Director is hereby authorized to deposit Housing and Redevelopment Authority funds in various depositories up to the amount of \$250,000, or such other amount as may be subsequently permitted by law, such deposits to be in the form of demand accounts, payable to the Housing and Redevelopment Authority of Richfield on the signatures of the Housing and Redevelopment Authority Finance Director. Such deposits may be made and withdrawn from time to time by the Finance Director as his best judgment and the interests of the Housing and Redevelopment Authority dictates.
4. The investment of funds and the reporting thereof pursuant to this resolution shall be conducted in accordance with established policies of the Housing and Redevelopment Authority regarding the investment of Housing and Redevelopment Authority funds.

Adopted by the Housing and Redevelopment Authority of Richfield, Minnesota this 18th day of January, 2022.

ATTEST:

Mary B. Supple, Chair

Secretary

RESOLUTION NO.

**RESOLUTION DESIGNATING U.S. BANK
A DEPOSITORY OF FUNDS OF THE HRA OF RICHFIELD
FOR THE YEAR 2022**

BE IT RESOLVED, by the Housing and Redevelopment Authority of Richfield as follows:

That, in accordance with Minnesota Statutes, Section 118A.01- 118A.06, U.S. Bank be, and hereby is designated a depository of the funds of the Housing and Redevelopment Authority of Richfield, subject to modification and revocation at any time by said Housing and Redevelopment Authority, and subject to the following terms and conditions:

The said depository shall not be required to give bonds or other securities for such deposits provided that the total sum thereof shall not at any time exceed in any depository the sums for which its deposits are insured under the Acts of Congress of the United States relating to insurance of bank deposits; but that in case such deposits in any such depository shall at any time exceed such insured sum, said depository shall immediately furnish bonds or other security for such excess according to law, approved by the Housing and Redevelopment Authority of Richfield.

That said depository shall pay on demand all deposits therein; and shall pay all time deposits, at or after the end of the period for which the same shall be deposited, on demand.

BE IT FURTHER RESOLVED, that there shall be maintained a general account in which shall be deposited all monies. The following officers or their facsimile signatures shall sign checks on this account;

MARY B. SUPPLE, CHAIR
MELISSA POEHLMAN, INTERIM EXECUTIVE DIRECTOR

BE IT FURTHER RESOLVED, that all funds remaining in the account at the end of each business day will be transferred from U.S. Bank to the 4M Fund where funds deposited are invested and insured.

Adopted by the Housing and Redevelopment Authority of Richfield, Minnesota this 18th day of January, 2022.

Mary B. Supple, Chair

ATTEST:

Secretary



STAFF REPORT NO. 3
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
1/18/2022

REPORT PREPARED BY: Kate Aitchison/Celeste McDermott, Housing Specialists
OTHER DEPARTMENT REVIEW: N/A

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Interim Executive Director
1/11/2022

ITEM FOR COUNCIL CONSIDERATION:

Consider the approval of a Right of Entry Agreement with Twin Cities Habitat for Humanity for 6600 Logan Avenue South.

EXECUTIVE SUMMARY:

In the summer of 2020, following the completion of the 66th Street reconstruction project, Hennepin County conveyed the properties at 6600 Logan Avenue South and 6600 Newton Avenue South to the Richfield Housing and Redevelopment Authority (HRA). These properties were remnants left over after the acquisition of homes on the south side of 66th Street West, between Penn Avenue South and Interstate 35W, for the 66th Street project. The HRA approved the conveyance of these properties in June 2021 so that the properties could be marketed for new construction opportunities through the New Home Program (affordable new construction) and the Richfield Rediscovered Program (market-rate new construction).

Twin Cities Habitat for Humanity (TCHFH) approached the City looking for an opportunity to develop a single-family home through the New Home Program and expressed interest in the property at 6600 Logan Avenue South. Since that time, the TCHFH has been working on their plans to redevelop the property and is seeking authorization to enter property owned by the HRA in order to conduct land surveys, soil borings, and any other environmental testing necessary.

The proposed Right of Entry Agreement (Agreement) authorizes the TCHFH to enter the HRA property to conduct these activities.

RECOMMENDED ACTION:

By motion: Authorize execution of a Right of Entry Agreement with Twin Cities Habitat for Humanity for 6600 Logan Avenue South.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- In 2020, following the completion of the 66th Street reconstruction project, Hennepin County conveyed the property at 6600 Logan Avenue South to the Richfield HRA and the conveyance was approved by the HRA in 2021 with plans to develop the property either through the New Home Program (affordable new construction) or the Richfield Rediscovered Program (market rate new construction).
- The New Home Program allows homes to be sold to households earning up to 80 percent of

Average Median Income (\$79,900 for a family of four).

- Staff is currently working with TCHFH on a proposal for an affordable single-family home.
- In the past ten years, seven new homes were constructed under the New Home program for affordable purchase.
- Under the New Home Program, the HRA has partnered with nonprofit developers to construct over 50 affordable homes since 1981.

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

- The New Home Program (Program) implements the goal of the Comprehensive Plan to ensure sufficient diversity in the housing stock to provide for a range of household sizes, income levels and needs. The Program carries out the policies that support this goal including:
 - Promote the development of a balanced housing stock that is available to a range of income levels.
 - Promote the development, management and maintenance of affordable housing in the City through assistance programs, alternative funding sources, and the creation of partnerships whose mission is to promote low to moderate income housing.

C. CRITICAL TIMING ISSUES:

- The Agreement expires September 30, 2022.
- The Agreement requires the TCHFH to give the HRA three days advanced notice of any work.
- Access to the property is necessary for moving forward with a Development Agreement, which is anticipated to come before the HRA in the Spring of 2022.

D. FINANCIAL IMPACT:

- There is no financial impact to the HRA. All costs for the work to be done, any liability expense, and restoration of any damage done to the property is at the TCHFH's expense.

E. LEGAL CONSIDERATION:

- The HRA Attorney prepared the Right of Entry Agreement.

ALTERNATIVE RECOMMENDATION(S):

- The HRA may choose to not authorize execution of a Right of Entry Agreement at this time.

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A

ATTACHMENTS:

Description	Type
□ Right of Entry Agreement	Contract/Agreement

RIGHT OF ENTRY AGREEMENT

THIS RIGHT OF ENTRY AGREEMENT (the “Agreement”) is made and entered into on January 18, 2022, by and between the HOUSING AND REDEVELOPEMENT AUTHORITY IN AND FOR THE CITY OF RICHFIELD, a public body corporate and politic under the laws of the State of Minnesota (the “Authority”), and Twin Cities Habitat For Humanity, Inc., a non-profit corporation under the laws of Minnesota or any assigns approved by the Authority (the “Developer”).

WHEREAS, the Authority is the owner in fee simple of the real estate located at the address of 6600 Logan Avenue South, in the City of Richfield, Minnesota, which is legally described in EXHIBIT A attached hereto and incorporated herein (the “Authority Property”); and

WHEREAS, the Developer is investigating the possibility of purchasing the Authority Property for the purpose of redevelopment; and

WHEREAS, the Developer wishes to have its environmental consultant conduct soil borings, dig and sample monitoring wells and conduct other environmental studies on the Property in order to identify whether there may be hazardous substances, pollutants or contaminants present on the Authority Property. The Developer has requested that Authority grant the Developer, its employees, agents and contractors, the right to enter the Property to conduct said environmental studies and investigate the location and extent of any contamination; and

WHEREAS, the Developer also desires to secure the consent of Authority to enter the Authority Property for the purpose of conducting appraisals, land surveys, and other tests or inspections of the Authority Property. The Developer has requested that Authority grant its consent to the entry of these additional consultants onto the Authority Property to conduct their studies; and

WHEREAS, it is understood that in executing this agreement, Authority will not be granting (a) any permanent interest in the Authority Property to the Developer, or (b) exclusive use or possession of the Authority Property to the Developer.; and

NOW THEREFORE, the parties agree as follows:

1. Access. The Authority grants to the Developer, its agents, employees, contractors and invitees, and such other consultants as the Developer may elect (collectively, “Consultants”), upon the terms and conditions stated below, on a non-exclusive basis, the permission and right to access and use the Authority Property for the purpose of making surveys, inspections, investigations, soil borings, drilling and sampling monitoring wells, and testing relative to the Developer’s possible purchase of the Property.

2. Consideration. In consideration for such right of entry, the Developer agrees to:

(a) Notify Authority of the date and time that work by the Developer or its Consultants on the Authority Property will commence under this Agreement which notice shall be at least five (5) business days prior to doing any work on the Authority Property in order to permit Authority’s employees or consultants retained by Authority to be present during the time any work is being done by the Developer or its Consultants;

(b) Secure all appropriate government approvals and permits for any work that will occur within public streets adjacent to the Authority Property;

(c) Provide a copy of all test results and reports prepared by the Developer's employees or Consultants (except appraisal reports) evaluating the conditions present on the Authority Property to Authority as soon as reasonably possible following final completion thereof.

(d) Dispose of all solid waste generated during the course of the Developer's sampling activities and other work on the Authority Property in accordance with applicable federal, state and local laws, rules and regulations.

(e) Do the work in the shortest period of time reasonably necessary to complete such activities authorized under this Agreement as the Developer, in its sole discretion, shall elect to undertake;

(f) Use the Authority Property only for the purposes described herein and not park or store any equipment on the Authority Property, except during the limited periods of time when the work on the Authority Property which is contemplated by this Agreement is actually in progress;

(g) Do no unnecessary damage to the Authority Property and restore the Authority Property to substantially the same condition as the condition in which it was found by the Developer at the time of the Developer's or its Consultants' entry upon the Property pursuant to this Agreement. As soon after completion of its work on the Authority Property as allowed by applicable authorities, the Developer shall properly abandon and remove any well installed by the Developer or its Consultants, in accordance with Minnesota Department of Health regulations;

(h) If the Developer or its Consultants remove a sample or portion of the Authority Property for investigation, monitoring or testing or obtains any data or issues any report, it must give Authority an equal amount of the sample or portion and a copy of any data or report, and must permit the Authority to perform an independent investigation, monitoring, or testing of the sample or portion.

(i) Protect all monitoring wells with lockable caps and at least three protected posts.

3. Term. The term of this Agreement (the "Term of this Agreement") shall commence on the day that this Agreement is executed and will expire on September 30, 2022.

4. Safety and Maintenance. The Developer agrees that if there is damage or changes to the Authority Property as a result of the activity, the Developer will restore the Authority Property to substantially the same condition as it previously was and remove all rubbish, waste, and debris in connection therewith. The Developer also agrees not to use the Authority Property for the production, storage, deposit or disposal of toxic, dangerous or hazardous substances, pollutants, wastes or contaminations, including but not limited to, nuclear fuel or wastes that are considered hazardous by law and regulations. The Developer shall indemnify the Authority, its officials, employees, agents and others acting on behalf of the Authority, hold it harmless against any and all loss, damage, liability, claim, cost or expenses (specifically including reasonable attorneys' fees and other costs and expenses of investigation and defense of any sort), resulting from injury or death to any person or from loss of or damage to any property, however caused, which occurs on the Authority Property with respect to the production, storage, deposit or disposal of toxic, dangerous or hazardous substance pollutants, wastes or contaminations by the Developer.

5. Hold Harmless and Indemnity. The Developer agrees to indemnify, defend, and hold harmless the Authority and the City of Richfield, Minnesota (the “City”), their agents, officials and employees from any and all claims, losses, damages, liabilities, causes of action, judgments, costs, or expenses because of personal injury, death, or property damage caused by Developer or its officers, employees, agents, contractors, or assigns’ use of the Authority Property. The Authority and the City agree to indemnify, defend, and hold harmless the Developer, its agents, officers, and employees from and against any and all claims, losses, damages, liabilities, causes of action, judgments, costs, or expenses because of personal injury, death, or property damage caused by the Authority or the City or their officials, employees, agents, contractors, or assigns’ entry into the Authority Property during the Term of this Agreement.

6. Insurance. The Developer agrees to provide and maintain a liability insurance policy with a general liability limit of at least \$1,500,000 each occurrence throughout the Term of this Agreement and to list the Authority as an “additional insured.” Said policy is limited to any person or persons working for or under the Developer as employees, contractors, and agents. On execution of this Agreement, the Developer shall provide the Authority with evidence that is satisfactory to the Authority that the insurance coverage required hereunder will be in full force and effect during the Term of this Agreement. In the event that any insurance renews or is terminated during the Term of this Agreement, the Developer shall promptly provide the Authority with evidence that such coverage will be renewed or replaced upon termination with insurance that complies with these provisions. At the request of the Authority, the Developer shall, in addition to providing such evidence of insurance, promptly furnish the Authority with a complete (and if so requested, insurer-certified) copy of the insurance policy intended to provide coverage required by this Agreement.

7. Assignment. The Developer shall not assign or otherwise transfer this Agreement, any right or interest in this Agreement or any right or interest in the Authority Property without the express written consent of the Authority, which consent shall not be unreasonably withheld.

8. Costs. The Developer shall be responsible to pay any fees, wages, and other charges and expenses in any manner associated with the Developer’s activities under this Agreement.

9. Other Authority or Rights. The Developer shall bear the sole obligation of obtaining such other authority or rights as it may need in addition to the rights provided in this Agreement for the use of the Authority Property.

10. Liens and Encumbrances. The Developer shall keep the Authority Property free of all liens and encumbrances arising out of its interest in or activities on the Authority Property.

11. Disclaimer of Warranty. The Developer has conducted its own investigation and inspection of the Authority Property and is familiar with the physical condition of the Authority Property and surrounding terrain, and is fully informed as to the existing conditions and limitations. The Authority makes no representation or warranty as to the suitability of the Authority Property for use by the Developer and no such representation, warranty, or any other representations are made by the Authority or shall be implied by operation of law or otherwise. The Developer accepts the Authority Property in an as-is, where-is condition with all faults, defects, and deficiencies.

12. Governing Law. The parties agree that the interpretation and construction of this Agreement shall be governed by the laws of the State of Minnesota, without regard to such state’s conflict of law provisions.

13. Notices and Demands. All notices, demands or other communications under this Agreement shall be effective only if made in writing and shall be sufficiently given and deemed given when delivered personally or mailed by certified mail (return receipt requested) or registered mail, postage prepaid, properly addressed as follows:

To the Authority: Housing and Redevelopment Authority
 in and for the City of Richfield, Minnesota
 6700 Portland Ave. South
 Richfield, MN 55423
 Attn: Community Development Director

To the Developer: Twin Cities Habitat For Humanity
 3001 4th Street SE
 Minneapolis, Minnesota 55414
 Attn: Chad Dipman

or to such other person at such other address as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

14. Execution in Counterpart. This Agreement is executed in any number of counterparts, each of which shall constitute one and the same instrument.

15. Amendment. This Agreement may be amended only by a written amendment signed by both parties.

16. Relationship of Parties. Nothing in this Agreement shall be interpreted or construed as a partnership or joint venture between the Authority and the Developer concerning the Developer's use of the Authority Property. This Agreement shall not be interpreted to be any type of lease or easement affecting the Authority Property and does not convey an interest in the Authority Property to the Developer.

17. Severance. Should any portion of this Agreement be declared invalid and unenforceable, then such portion shall be deemed to be severed from this Agreement and shall not affect the remainder thereof.

18. Default. If any default is made by the Developer in any of the agreements contained in this Agreement which is not cured within 30 days of written notice from the Authority, it shall be lawful for the Authority to declare the term ended and to enter the Authority Property either with or without legal process, and to remove the Developer or any other person occupying the Authority Property, using such force as may be necessary, without being liable for prosecution, or for damages, and to repossess the Authority Property free and clear of any rights of the Developer.

19. Developer. With respect to the right to access and use the Authority Property granted to the Developer in this Agreement, the term "Developer" shall include Developer's agents, employees, contractors, affiliates, and other representatives.

IN WITNESS WHEREOF, the parties have executed this Right of Entry Agreement as of the date first above written.

**HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
RICHFIELD**

By _____
Its Chair

By _____
Its Interim Executive Director

Execution page of the Developer to the Right of Entry Agreement dated as of the date first written above.

TWIN CITIES HABITAT FOR HUMANITY, INC.

By: _____

Its: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE AUTHORITY PROPERTY

The South 60.00 feet of Lot 1, Block 3, "Fairwood Park", Hennepin County, Minnesota.

Reserving to County of Hennepin a permanent easement for highway purposes per Torrens Certificate of Title No. 1405418, over all that part of the above described tract which lies northerly of the following described line:

Beginning at the intersection of the west line of said Lot 1 and a line parallel with and distant 39.14 feet southerly of the north line of said Lot 1; thence easterly along said parallel line a distance of 92.15 feet; thence southeasterly, deflecting right 11 degrees 49 minutes 18 seconds a distance of 36.93 feet; thence easterly, deflecting left 5 degrees 40 minutes 48 seconds a distance of 6.87 feet to the east line of said Lot 1 and said line there terminating.

Reserving to County of Hennepin a permanent easement for utility purposes over all that part of the above described tract which lies southerly of the above described highway easement and northerly and northeasterly of the following described line:

Commencing at the northwest corner of said Lot 1; thence southerly along the west line of said Lot 1 on an assumed bearing of South 0 degrees 23 minutes 31 seconds East a distance of 63.36 feet to the point of beginning of the line being described; thence North 62 degrees 50 minutes 33 seconds East a distance of 30.64 feet; thence South 89 degrees 31 minutes 04 seconds East a distance of 63.60 feet; thence South 77 degrees 41 minutes 45 seconds East a distance of 34.25 feet; thence South 24 degrees 32 minutes 05 seconds East a distance of 16.70 feet; thence North 89 degrees 36 minutes 31 seconds East a distance of 3.79 feet to the east line of said Lot 1 and said line there terminating.

Reserving to County of Hennepin the right to restrict all right of access, being the right of ingress to and egress from County State Aid Highway No. 53 over, under and across the land herein being conveyed.

Reserving to County of Hennepin all mineral rights in said land pursuant to Minnesota Statute Section 373.01.



STAFF REPORT NO. 4
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
1/18/2022

REPORT PREPARED BY: Julie Urban, Housing & Redevelopment Manager
OTHER DEPARTMENT REVIEW: N/A

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Interim Executive Director
1/11/2022

ITEM FOR COUNCIL CONSIDERATION:

Consideration of the adoption of a resolution approving an Assignment and Assumption Agreement of a Development Contract between the Housing and Redevelopment Authority and RM Senior Living Richfield LLC to Gopher (Richfield) LLC for the Havenwood senior housing project.

EXECUTIVE SUMMARY:

The Havenwood senior living facility, located at 245 76th Street West, was constructed in 2017. The Housing and Redevelopment Authority (HRA) entered into a Contract for Private Redevelopment (Contract) with Mesaba Capital Development (Developer), under which the HRA agreed to sell the Developer the HRA-owned property and provide a Tax Increment Financing (TIF) Note in exchange for the construction of 88 units of senior housing. After completion of construction, the Developer sold the property to Roers Companies, doing business as RM Senior Living Richfield LLC. Roers is now in the process of selling the property to Gopher (Richfield) LLC (Buyer) and is asking that the Contract be assigned to the Buyer.

RECOMMENDED ACTION:

By motion: Adopt a resolution approving an Assignment and Assumption Agreement between RM Senior Living Richfield LLC, Gopher (Richfield) LLC and the Housing and Redevelopment Authority and approving a Certificate of Completion for the Havenwood senior housing project.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- On February 16, 2016, the HRA approved a Contract for Private Development with Mesaba Capital LLC to construct 88 units of senior housing on HRA-owned property located at 245 76th Street West.
- On November 22, 2016, the HRA approved a First Amendment to the Contract for Private Development, which updated the terms and dates of the original agreement.
- On March 29, 2017, the HRA approved an Assignment and Assumption of Contract with Mesaba, the HRA and RM Senior Living Richfield LLC.

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

- The HRA is required to consider requests for Assignment and Assumption Agreements.

C. CRITICAL TIMING ISSUES:

- The property closing is scheduled for later in January.

D. FINANCIAL IMPACT:

- Roers will retain the TIF Note and continue to receive payments under the Note.
- There is no impact on the HRA's receipt of tax increment to pay administrative costs associated with the district nor the remaining purchase price of the property (\$244,000).

E. LEGAL CONSIDERATION:

- HRA legal counsel approved the Assignment and Assumption Agreement.

ALTERNATIVE RECOMMENDATION(S):

- Do not approve the Assignment and Assumption Agreement.

PRINCIPAL PARTIES EXPECTED AT MEETING:

None

ATTACHMENTS:

Description		Type
<input type="checkbox"/>	Resolution	Resolution Letter
<input type="checkbox"/>	Assignment and Assumption	Backup Material

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD, MINNESOTA**

RESOLUTION NO. _____

**RESOLUTION APPROVING ASSIGNMENT AND ASSUMPTION OF CONTRACT WITH RM
SENIOR LIVING RICHFIELD LLC AND GOPHER (RICHFIELD) LLC**

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the “Authority”) previously owned certain real property located within Tax Increment Financing District No. 2014-1 (City District Garage Site) (the “Development Property”), which was created within the Richfield Redevelopment Project in the City of Richfield, Minnesota (the “City”); and

WHEREAS, the Authority and Mesaba Capital Development, LLC, a Minnesota limited liability company (“Mesaba”), entered into a Contract for Private Development, dated February 16, 2016, as amended by the First Amendment to Contract for Private Development, dated November 22, 2016, and a Second Amendment to Contract for Private Development, dated March 29, 2017 (collectively, the “Contract”), pursuant to which the Authority conveyed the Development Property to Mesaba, Mesaba agreed to construct on the Development Property a multifamily housing development with 88 units designed for seniors, including approximately 60 assisted living units and 28 memory care units (the “Minimum Improvements”), and the Authority agreed to issue a tax increment revenue note to Mesaba to reimburse Mesaba for certain costs in connection with the Minimum Improvements; and

WHEREAS, pursuant to an Assignment and Assumption of Contract, dated March 29, 2017, between Mesaba and RM Senior Living Richfield LLC, a Delaware limited liability company (the “Assignor”), Mesaba assigned its interest in the Contract to the Assignor as the “Developer” under the Contract; and

WHEREAS, the Assignor has determined to assign its interest in and its rights and obligations as the “Developer” under the Contract to Gopher (Richfield) LLC, a Delaware limited liability company (the “Assignee”), as permitted by the terms of the Contract; and

WHEREAS, there has been presented before this Board of Commissioners of the Authority (the “Board”) an Assignment and Assumption of Contract (the “Assignment and Assumption of Contract”) to be entered into between the Authority, the Assignor, and the Assignee, pursuant to which the Assignor assigns all of its interest in and its rights and obligations under the Contract to the Assignee, the Assignee assumes such interest, rights, and obligations of the Assignor as Developer under the Contract, and the Authority consents to such assignment and assumption; and

WHEREAS, the Board has reviewed the Assignment and Assumption of Contract and finds that the execution thereof by the Authority and the performance of the Authority’s obligations thereunder are in the best interest of the City and its residents; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota that:

1. The Assignment and Assumption of Contract is hereby in all respects authorized, approved, and confirmed, and the Chair and the Interim Executive Director are hereby authorized and directed to execute the Assignment and Assumption of Contract for and on behalf of the Authority in substantially the form now on file with the Interim Executive Director but with such modifications as shall be deemed

necessary, desirable, or appropriate, the execution thereof to constitute conclusive evidence of their approval of any and all modifications therein.

2. The Chair and the Interim Executive Director are hereby authorized to execute and deliver any other documents or certificates deemed necessary to carry out the intentions of this resolution and the Assignment and Assumption of Contract.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 18th day of January, 2022.

Mary B. Supple, Chair

ATTEST:

Secretary

RC125-347 (JAE)
773327v1

ASSIGNMENT AND ASSUMPTION OF CONTRACT

THIS ASSIGNMENT AND ASSUMPTION OF CONTRACT, made as of _____, 2022 (the "Assignment"), is by and between RM SENIOR LIVING RICHFIELD LLC, a Delaware limited liability company (the "Assignor"), GOPHER (RICHFIELD) LLC, a Delaware limited liability company (the "Assignee"), and the HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RICHFIELD, MINNESOTA, a public body corporate and politic of the State of Minnesota (the "Authority").

RECITALS

The Assignor and the Authority are parties to that certain Contract for Private Development, dated February 16, 2016, between the Authority and Mesaba Capital Development, LLC, a Minnesota limited liability company ("Mesaba"), as predecessor to the Developer, filed in the Office of the Registrar of Titles of Hennepin County on March 21, 2016 as document no. T05430362, as amended by the First Amendment to Contract for Private Development, dated November 22, 2016, between the Authority and Mesaba, filed in the Office of the Registrar of Titles of Hennepin County on March 21, 2017 as document no. T05430363, as assigned by Mesaba to the Developer pursuant to an Assignment and Assumption of Contract, dated March 29, 2017, by and between Mesaba, the Developer, and the Authority, filed in the Office of the Registrar of Titles of Hennepin County on March 30, 2017 as document no. T05432388, and as further amended by the Second Amendment to Contract for Private Development, dated March 29, 2017, by and between the Authority and the Developer, filed in the Office of the Registrar of Titles of Hennepin County on March 30, 2017 as document no. T05432389 (collectively, the "Contract"), pursuant to which the Authority agreed to convey to the Developer land, legally described in EXHIBIT A, and reimburse the Developer for a portion of the land acquisition costs and certain site improvement costs related to the construction of a multifamily housing development with 88 units designed for seniors, including approximately 60 assisted living units and 28 memory care units.

The Assignor desires to assign to the Assignee all of its interest in the Contract and its rights and obligations under the Contract, and the Assignee desires to assume such interest in the Contract and the rights and obligations under the Contract.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Definitions. All capitalized terms not defined herein shall have the meanings given such terms in the Contract.

2. Assignment and Assumption of Contract. Section 8.2 of the Contract allows the Assignor to assign its rights and duties under the Contract to another entity, following the issuance of a Certificate of Completion for the Minimum Improvements if: (a) the Developer obtains the prior written consent of the Authority (which consent will not be unreasonably withheld) and (b) the transferee or

assignee is bound by all the Developer's obligations under the Contract. The Assignor hereby assigns to the Assignee all of its interest in the Contract and its rights and obligations under the Contract. The Assignee hereby accepts such rights and assumes such obligations, subject to the terms of this Assignment. The Authority acknowledges and consents to such assignment.

3. Covenants of the Assignee. The Assignee expressly assumes all of the obligations of the Assignor under the Contract and agrees to be subject to all the conditions and restrictions to which the Assignor is subject to under the Contract.

4. Release of Assignor. This Assignment shall be deemed to release and discharge the Assignor from any obligations of the "Developer" under the Contract, such obligations having been assumed by the Assignee.

5. Assignee Address. For purposes of notice under the Contract, the Assignee's address is:

Gopher (Richfield) LLC
2711 N. Haskell Avenue, Suite 1700
Dallas, Texas 75204
Attn: Legal Department
Email: lsims@hudson-advisors.com

6. Governing Law. It is agreed that this Assignment shall be governed by, construed and enforced in accordance with the laws of the State of Minnesota.

7. Entirety of Agreement. This Assignment shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this Assignment shall not be binding upon either party except to the extent incorporated in this Assignment.

8. Modification. Any modification of this Assignment or additional obligation assumed by either party in connection with this Assignment shall be binding only if placed in writing and signed by each party or an authorized representative of each party.

9. Execution in Counterparts. This Assignment may be executed, acknowledged and delivered in any number of counterparts and each of such counterparts shall constitute an original but all of which together shall constitute one agreement.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the Assignor, the Assignee, and the Authority have caused this Assignment and Assumption of Contract to be executed as of the date and year first written above.

ASSIGNOR:

RM SENIOR LIVING RICHFIELD LLC, a
Delaware limited liability company

By: Roers Mesaba Richfield JV LLC
Its: Manager

By: _____
Brian J. Roers, its Manager

STATE OF MINNESOTA)
) SS
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by Brian Roers, the Manager of Roers Mesaba Richfield JV LLC, a Minnesota limited liability company, Manager of RM Senior Living Richfield LLC, a Delaware limited liability company, on behalf of the Assignee.

Notary Public

[Notarial Stamp]

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Execution page of the Authority to the Assignment and Assumption of Contract, dated as of the date and year first written above.

AUTHORITY:

**HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
RICHFIELD, MINNESOTA**

By _____
Its Chair

By _____
Its Interim Executive Director

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this _____ day of January, 2022 by _____, the Chair of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, on behalf of the Authority.

Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this _____ day of January, 2022, by Melissa Poehlman, the Interim Executive Director of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, on behalf of the Authority.

Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF LAND

Lot 1, Block 1, Richfield Assisted Living, Hennepin County, Minnesota.

(Torrens Property)



STAFF REPORT NO. 5
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
1/18/2022

REPORT PREPARED BY: Kate Aitchison/Celeste McDermott, Housing Specialist

OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Interim Executive Director
1/12/2022

ITEM FOR COUNCIL CONSIDERATION:

Consider a request for the forgiveness of a Deferred Loan issued to Roger and Eileen Johnson at 7045 Bloomington Avenue South.

EXECUTIVE SUMMARY:

In 2014, Roger and Eileen Johnson (Homeowners) received a Deferred Loan for \$7,537.95 from the Richfield Housing and Redevelopment Authority (HRA) to complete a roofing job at their home at 7045 Bloomington Avenue South.

Both Homeowners passed away in 2021 and their adult children are handling their estate. The Johnson's had accrued a large amount of debt prior to their passing.

A purchase agreement is in place, and closing date is scheduled for January 26, 2022. The purchase price is \$237,000, and debts, to date, total more than \$258,000. The property is in foreclosure, and closing on the sale of the home quickly will forestall further issues and added expense.

The estate is requesting full forgiveness of the Johnson's Deferred Loan in order to pay the remaining debts and move forward with the sale of the home and avoid foreclosure.

RECOMMENDED ACTION:

By motion: Approve full loan forgiveness for \$7,537.95 for the estate of Roger and Eileen Johnson at 7045 Bloomington Avenue South.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- In 2014 Roger and Eileen Johnson received a Deferred Loan from the Richfield HRA in the amount of \$7,537.95. This loan covered a reroofing project.
- The maturity date for the Johnsons' loan is October 24, 2044.
- Both Roger and Eileen Johnson passed away in 2021.
- The estate has a purchase agreement to sell the home for \$237,000.
- The closing date was originally scheduled for January 11, 2022, but has been extended to January 26, 2022 to accommodate the HRA meeting.

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

- The Deferred Loan Program provides loans to homeowners earning less than 80 percent of the Twin Cities Area Median Income (AMI) to make repairs and improvements that address health,

safety and/or property maintenance items. Most recipients of the Deferred Loan earn less than 50 percent of the Twin Cities AMI.

- The entire loan amount is due and payable if the property is sold within the 30-year period, regardless of the number of years remaining on the loan.
- The Deferred Loan Program is funded with federal Community Development Block Grant (CDBG) funds. There is no federal requirement that the money be repaid.
- The HRA has granted six settlement requests or forgiveness requests in the past six years:

YEAR	LIEN AMOUNT	AMOUNT REPAID	% RECAPTURED
2021	\$9,550	\$3,000.00	31%
2019	\$15,000	\$ 0.00*	0%
2018	\$24,276	\$ 1,180.00	4.8%
2018	\$18,463	\$ 3,077.00*	16.6%
2017	\$10,000	\$ 2,000.00	20.0%
2016	\$10,345	\$ 1,000.00	9.7%

*Some loan settlements ended in foreclosure or exceeded the agreed upon amount of repayment.

C. CRITICAL TIMING ISSUES:

- Closing on the sale of the home is scheduled for January 26, 2022.

D. FINANCIAL IMPACT:

- Funds from repaid Deferred Loans are returned to Hennepin County to be used for future loans.
- The Deferred Loan Program is funded with federal Community Development Block Grant (CDBG) funds. There is no federal requirement that the money be repaid.
- The household is working to settle the following debts:

DEBT	AMOUNT OWED
1 st Mortgage/Sheriff's Sale	\$ 215,000.00
Richfield HRA Deferred Loan	\$ 7,537.95
City of Richfield Water	\$ 452.20
City of Richfield Water assessed	\$ 961.00
CenterPoint Energy	\$ 4,902.76
Xcel Energy	\$ 2,941.64
Garbage Republic/Waste Mngmt	\$ 87.15 (likely more)
CenterPoint Energy – Furnace/AC	\$ 13,340.00
Property Lien – Morris Neilson	\$ 8,310.68
Property Lien – 1 st Bank of Omaha	\$ 1,785.32
Credit Card	
Attorney Fees (estimated)	\$ 2,000.00
Closing Costs (estimated)	\$ 1,500.00
TOTAL	\$ 258,818.57

E. LEGAL CONSIDERATION:

None.

ALTERNATIVE RECOMMENDATION(S):

- Do not approve the forgiveness request for Roger and Eileen Johnson's Deferred Loan at 7045 Bloomington Avenue South.

PRINCIPAL PARTIES EXPECTED AT MEETING:

Bonnie Grant, daughter of Homeowners Bryan Johnson, son of Homeowners, and executor of estate

ATTACHMENTS:

Description	Type
□ Letter	Backup Material

RE: Forgiveness of Loan
Estate of Roger P and Eileen M Johnson
7045 Bloomington Ave S
Richfield, MN 55423

To Whom It May Concern:

Both of our Parents died within 3 months of each other this past year in 2021. All together, 9 family members died in 2021, none of which were Covid. My brother, sister and I had no idea how much our parents were struggling financially until after they both died. They didn't have anything planned out for us and we have been trying our best to gather whatever information we can concerning all of the debt they left behind, like their delinquent Utility bills; water, electric, gas and garbage and Reverse Mortgage, which hugely increased in the payoff amount since foreclosure/Sheriffs Sale. In addition to the different loans and credit cards they had taken out, just to help them out financially in a temporary fashion.

We hired a probate attorney right away, hoping he could help guide us in our "estate nightmare". The attorney we hired let our case fall between the cracks, allowing our Mom and Dad's estate/mortgage loan to go into foreclosure/Sheriffs Sale on December 8, 2021. Shortly before the Sheriffs Sale, we actually signed a purchase agreement to sell the house "as is" since we couldn't afford to fix it up for more equity. Keep in mind that all 3 of us siblings are Seniors/no longer working/employed because of Covid and various health reasons, besides the fact that we each have our own house payments and expenses. In November, our attorney was informed that a purchase agreement was signed. He received a copy of the purchase agreement but failed to inform the mortgage company. Thus the Sheriffs Sale happened. Thankfully the buyer still wants to buy the house.

I called the City of Richfield on Friday 1-7-2022 to inquire about a loan with the city which I had just heard about the day before, in the approximate amount of \$7500.00. I talked with Celeste, about the possibility of forgiving this loan since so close to the forgiveness date. Celeste said that we could submit an explanation/request that would be reviewed by the city council. I asked when the next council meeting was and was told 1-18-2022. I told Celeste that our closing date was scheduled for 1-11-2022 and I was going to talk to my brother since he is the personal representative for Mom and Dad's estate, to see if we could possibly push out the closing date and then possibly get Mom and Dad's city loan forgiven/negotiate on a reduced payoff amount since we are probably not going to have enough money to cover the sale/closing of Mom and Dad's estate not yet knowing what all expenses we are liable to payoff/ without legal counsel. We have not been able to sell very many belongings of my Mom and Dad's which we were really counting on to help us out with final expenses. We don't have enough money to pay off the 2 funerals, and can't afford to bury them.

We would greatly appreciate your consideration and review of our situation to see if we might qualify for a loan forgiveness or reduction in loan amount.

Thank you in advance for your review of our parents loan/a possible loan forgiveness.
-Bonnie Grant



STAFF REPORT NO. 6
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
1/18/2022

REPORT PREPARED BY: Myrt Link, Community Development Accountant

OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Interim Executive Director
1/11/2022

ITEM FOR COUNCIL CONSIDERATION:

Consider approval a proposal for the preparation of a Tax Increment Financing Management Plan by Ehlers, Inc.

EXECUTIVE SUMMARY:

An Ehlers Tax Increment Financing (TIF) Management Plan is a compliance and planning tool that accomplishes two goals. First, it ensures that each District stays in compliance with the myriad of statutory requirements and second, if a District is out of compliance, early detection can give time for a course of correction and prevent having to return increment to the County.

The proposed TIF Management Plan will include the following:

- A cashflow projection for each District.
- A through analysis of key compliance areas.
- A review of new Developer agreements and amendments to existing agreements.
- A review of all active Pay-Go Notes and prior payments.
- Identification of opportunities to maximize the use of TIF.
- Recommendations for potential actions such as budget modifications, pooling, or allocation of administrative expenses.

The Housing and Redevelopment Authority (HRA) would receive a full report that memorializes the key information about each District and provides a long-term management tool for staff.

RECOMMENDED ACTION:

By motion: Approve a proposal of a Tax Increment Financing Management Plan with Ehlers, Inc.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

N/A

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

- Per HRA Resolution 1352 adopted January 21, 2020, the HRA Board must authorize the approval of any agreements in excess of \$50,000.

C. CRITICAL TIMING ISSUES:

- None.

D. FINANCIAL IMPACT:

- Cost of the proposal is not to exceed \$50,700.
- This project is considered an "Administrative Expense" per M.S. 469.174 sub.14 and the cost can be charged directly to the TIF Districts.

E. LEGAL CONSIDERATION:

- None.

ALTERNATIVE RECOMMENDATION(S):

- Do not approve the proposal.

PRINCIPAL PARTIES EXPECTED AT MEETING:

Rebecca Kurtz, Ehlers, Inc.

ATTACHMENTS:

Description	Type
▣ Proposal for TIF Management Plan	Backup Material

December 16, 2021

Melissa Poehlman, Community Development Director
Myrt Link, Community Development Accountant
Richfield Housing and Redevelopment Authority
6700 Portland Ave
Richfield, MN 55423-2560

Re: Proposal for a TIF Management Plan

Dear Melissa and Myrt:

On behalf of Ehlers, I am pleased to present this proposal to provide a Tax Increment Financing (“TIF”) Management Plan for all districts in the City of Richfield.

An Ehlers TIF Management Plan is a compliance and planning tool that accomplishes two goals. It first ensures that each district stays in compliance with the myriad of statutory requirements. And second, if a district is out of compliance, early detection can give time for a course correction and prevent having to return increment to the County.

Importantly, the TIF Management Plan also looks for opportunities. Is the HRA using its ability to pool between districts? Can TIF be used for affordable housing, if desired? Will a budget amendment allow the City to collect more increment than originally anticipated? We have helped several clients find opportunities within their existing TIF Districts to facilitate HRA development goals.

The TIF Management Plan will include:

- A cashflow projection for each District that will extend through the term of the District and beyond for decertified districts
- A thorough analysis of key compliance areas such as
 - ✓ Limitations on administrative expenses
 - ✓ The four-year and five-year rules

- ✓ Comparison to the TIF Plan budgets
- ✓ Excess increment
- ✓ Special Legislation
- A review of new developer agreements and amendments to existing agreements to determine whether the developments are complying with non-financial requirements, such as job creation or housing income restrictions
- A review of all active PAYGO Notes and prior payments
- Identification of opportunities to maximize the use of TIF
- Recommendations for potential actions such as budget modifications, pooling, or allocation of administrative expenses.

The HRA will obtain a full report that memorializes the key information about each district and provides a long-term management tool for staff.

Proposed Fees

The proposed project will be billed on a not-to-exceed basis of \$50,700 (or \$3,900 per TIF District). The project will be billed monthly for actual time spent, so the final cost may be less.

All time billed for this project is considered an “Administrative Expense” per M.S. 469.174 subd. 14 and can be charged directly to the TIF Districts.

We appreciate your consideration of our proposal and look forward to further discussing how Ehlers can help the City meet its development goals.

Respectfully submitted,



Rebecca Kurtz
Senior Municipal Advisor
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**BYLAWS OF THE
HOUSING AND REDEVELOPMENT AUTHORITY
OF RICHFIELD, MINNESOTA**

ARTICLE I – THE AUTHORITY

Section 1. Name of Authority. The name of the Authority shall be the “Housing and Redevelopment Authority of Richfield, Minnesota”.

Section 2. Seal of Authority. The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority.

Section 3. Office of Authority. The offices of the Authority shall be at City Hall in the City of Richfield, Minnesota, but the Authority may hold its meetings at such other place or places as it may designate by resolution.

Section 4. Official Newspaper. The official newspaper shall be the official newspaper designated by the City as its official newspaper each year.

Section 5. Composition of Membership. The Composition of Membership of the Authority shall be determined by the Mayor and City Council of the City of Richfield (City Council). Until and unless further amended by the Mayor and City Council, this Composition shall be as follows:

- a. In making appointments to the HRA commission, the Mayor and City Council shall designate two positions as ex-officio with voting rights, to be filled by two members of the City Council, which may include the Mayor. The term of office of an ex-officio commission member shall be set to coincide with the member's term as mayor or council member.
- b. The remaining three members of the HRA commission shall be residents of the City of Richfield and appointed in the manner required by law. The citizen members shall serve five-year terms, which shall be staggered.
- c. No citizen member of the HRA commission shall be appointed to more than two consecutive terms on the commission.
- d. No citizen member, once appointed, may serve on any city advisory commission, except the Charter Commission, during the term of the HRA appointment.

ARTICLE II – OFFICERS

Section 1. Officers. The officers of the Authority shall be a Chairperson, a Vice-Chairperson, and a Secretary.

Section 2. Chairperson. The Chairperson shall preside at all meetings of the Authority. Except as otherwise authorized by resolution of the Authority, the Chairperson shall sign all contracts, deeds, resolutions and other instruments made by the Authority. At each meeting the Chairperson shall submit such recommendations and information he or she may consider proper concerning the business, affairs and policies of the Authority.

Section 3. Vice-Chairperson. The Vice-Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson; and in case of the resignation or death of the Chairperson, the Vice-Chairperson shall perform such duties as are imposed on the Chairperson until such time as the Authority shall select a new Chairperson.

Section 4. Secretary. The Secretary shall perform the duties of a Secretary for the Authority. The Secretary shall perform the duties as the Chairperson in cases where both the Chairperson and Vice-Chairperson are absent or incapacitated.

Section 5. Executive Director. The Authority shall employ an Executive Director who shall have general supervision over the administration of its business and affairs, subject to the direction of the Authority. He or she shall be charged with the management of the housing and redevelopment projects of the Authority. Regardless of who is appointed, the City Manager of the City of Richfield shall have ultimate authority in recommending an annual levy and budget. The Executive Director may designate an acting Executive Director during periods when he or she is absent or incapacitated.

Section 6. Other Administrative Officers. The Authority may designate an assistant to the Secretary who shall keep the records of the Authority, shall act as recorder of the meetings of the Authority and record all votes, and shall keep a record of the proceedings of the Authority in a journal of proceedings to be kept for such purpose, and shall perform all duties incidental to his office. He or she shall keep in safe custody the seal of the Authority and shall have power to affix such seal to all contracts and instruments authorized to be executed by the Authority.

The Authority may designate a Treasurer who shall have the care and custody of all funds of the Authority and shall deposit the same in the name of the Authority in such bank or banks as the Authority may select. The Executive Director and Treasurer shall sign all orders and checks for the payment of money and shall pay out and disburse such moneys under the direction of the Authority. Except as otherwise authorized by resolution of the Authority, all such orders and checks shall also be countersigned by the Chairperson. The Treasurer shall keep regular books of accounts showing receipts and expenditures and shall render to the Authority, at each regular meeting (or more often when requested), an account of his transactions and also of the financial condition of the Authority. He or she shall give such bond for the faithful performance of his duties as the Authority may determine

ARTICLE III – MEETINGS

Section 1. Annual Meeting. The annual meeting of the Authority shall be held on the third Tuesday in January at 7:00 p.m. at the regular meeting place of the Authority.

Section 2. Regular Meetings. Monthly meetings shall be held without notice at the regular meeting place of the Authority on the third Monday of each month, at 7:00 p.m. unless the same shall be a legal holiday, in which event said meeting shall be held on the next succeeding secular day.

Section 3. Special Meetings. Special meetings of the Authority may be called by the Chairperson, or two members of the Authority for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered at any time prior to the time of the proposed meeting to each member of the Authority or may be mailed to the business or home address of each member of the Authority at least two (2) days prior to the date of such special meeting. At such special meeting no business shall be considered other than as designated in the call, but if all of the members of the Authority are present at a special meeting, any and all business may be transacted at such special meeting.

Section 4. Quorum. The powers of the Authority shall be vested in the Commissioners thereof in office from time to time. Three Commissioners shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained. When a quorum is in attendance, action may be taken by the Authority upon a vote of a majority of the Commissioners present.

Section 5. Order of Business. At the regular meetings of the Authority the following shall be the order of business:

1. Call to Order/Noting of Attendance
2. Open Forum
3. Approval of Minutes of Previous Meeting(s)
4. Presentations
5. Approval of Agenda
6. Consent Agenda
7. Public Hearings
8. Resolutions
9. Other Business
10. HRA Discussion Items
11. Executive Director's Report
12. Approval of Claims
13. Adjournment

All resolutions shall be in writing and shall be copied in the journal of the proceedings of the Authority.

Section 6. Manner of Voting. The voting on all questions coming before the Authority shall be made verbally and the yeas and nays shall be entered upon the minutes of such meeting.

Section 7. Combining Administrative Offices: Compensation. The compensation of the Executive Director and other personnel of the Authority shall be determined by the Authority. Any two or more administrative offices may be combined.

Section 8. Additional Duties. The officers of the Authority shall perform such other duties and functions as may from time to time be required by the Authority or the Bylaws or rules and regulations of the Authority.

Section 9. Election of Appointment. The first Chairperson shall, pursuant to this appointment, serve in the capacity of Chairperson until the expiration of his term of office as Commissioner. The Vice-Chairperson, Secretary and, except in the case of the First Chairperson, the Chairperson shall be elected at the annual meeting of the Authority from among the Commissioners of the Authority, and shall hold office for one year or until their successors are elected and qualified.

The Executive Director shall be appointed by the Authority. Any person appointed to fill the office of Executive Director or any vacancy therein, shall have such term as the Authority fixes, but no Commissioner of the Authority shall be eligible for this office.

Section 10. Vacancies. Should the office of Chairperson, Vice-Chairperson or Secretary become vacant, the Authority shall elect a successor from its membership at the next regular meeting, and such election shall be for the unexpired term of said office.

Section 11. Additional Personnel. The Authority may from time to time employ or contract for such personnel as it deems necessary to exercise its powers, duties and functions as prescribed by the Municipal Housing and Redevelopment Law of Minnesota applicable thereto. Such personnel may be employees of the Authority, employees of other governmental organizations, or independent contractors. The selection and compensation of such personnel shall be determined by the Authority subject to the laws of the State of Minnesota.

ARTICLE IV – AMENDMENTS

Section 1. Amendments to Bylaws. The Bylaws of the Authority shall be amended only with the approval of at least three of the members of the Authority at a regular or a special meeting.

Amended	04/21/80
Amended	01/21/86
Amended	12/15/86
Amended	08/18/03
Amended	02/18/14
Amended	09/17/18
Amended	01/15/19
Amended	01/21/20

CITY OF RICHFIELD HOUSING AND REDEVELOPMENT AUTHORITY
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Name	Elected	Term Expires
Mary B Supple (1) Council Chair	December 2019	January 2, 2023
Lee Ohnesorge Citizen	March 2021	November 12, 2023
Erin Vrieze Daniels (1) Citizen Vice Chair	November 2017	November 20, 2022
Maria Regan Gonzalez (1) Secretary	January 2019	January 2, 2023
Sue Sandahl (1) Citizen	March 2017	March 20, 2022

Executive Director: John Stark

Assistant to the Secretary: LaTonia DuBois

- **Minimum of 3 members required for a quorum**

5 year terms; citizen members may serve no more than two consecutive terms.

Getting a signature from Mary B. Supple:

Mary is able to stop at the Municipal Center to sign documents between 4:30 p.m.-5:00 p.m. on her way home from work.

You can also take documents to Mary at work (Richfield Middle School). **Email Mary to schedule a good time to meet.**