



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Regular Meeting

June 21, 2022

CALL TO ORDER

The meeting was called to order by Chair Supple at 7:00 p.m. in the Council Chambers.

HRA Members Present: Mary Supple, Chair; Erin Vrieze Daniels, Vice Chair; and Lee Ohnesorge

HRA Members Absent: Maria Regan Gonzalez and Gordon Hanson

Staff Present: Melissa Poehlman, Executive Director/Community Development Director; Julie Urban, Assistant Community Development Director; and Kari Sinning, City Clerk

Others Present: Ryan Schwickert, MWF Properties

OPEN FORUM

Chair Supple provided instructions to call in for the open forum and asked if there was anyone in attendance.

APPROVAL OF THE MINUTES

M/Vrieze Daniels, S/Ohnesorge to approve the minutes of the Regular Housing and Redevelopment Authority Meeting of May 16, 2022.

Motion carried: 3-0

ITEM #1	APPROVAL OF THE AGENDA
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M/Vrieze Daniels, S/Ohnesorge to approve the agenda.

Motion carried: 3-0

ITEM #2	CONSIDERATION OF A RESOLUTION AWARDED UP TO \$200,000 IN FUNDING FROM THE AFFORDABLE HOUSING TRUST FUND TO MWF PROPERTIES FOR THE DEVELOPMENT OF 55 UNITS OF AFFORDABLE MULTI-FAMILY HOUSING AT 7700 PILLSBURY AVENUE SOUTH. (STAFF REPORT NO. 22)
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Assistant Community Development Director Urban presented Staff Report No. 22.

Chair Supple asked about the developer to clarify what supportive housing that would be available. Ryan Schwickert from MWF Properties shared that Hennepin County has a database (Coordinated Entry System) to help people that are struggling with homelessness to find stable housing and the local service provider, ReEntry House, works with the individuals to create financial stability. Chair Supple followed up with a question regarding families that are struggling with homelessness. Ryan Schwickert stated that the top priority for Hennepin County is single individuals and the referrals that they will receive for this project would be individuals.

Chair Supple also asked about the developer's plans for energy standards. Ryan Schwickert stated that they have to adhere to the Green Community Standards for the tax credits and they work with a company to find out how to reduce their energy consumption below a certain threshold each year to reach hopefully a net zero energy consumption.

Chair Supple also asked about the safeguards to protect contracted and subcontracted workers are paid fairly and that labor laws are followed. Ryan Schwickert shared that the subcontractor, Eagle Building Company, has a Subcontractor Compliance Program in place to prevent worker abuse and MWF Properties will do their best to make sure that all that work on the project are paid fairly.

M/Supple, S/Vrieze Daniels to adopt a resolution approving an amendment to the Contract for Private Development with MWF Properties, awarding up to \$200,000 for affordability and energy-efficiency improvements, and authorizing the Chair and Executive Director to execute the amendment.

Chair Supple shared that she would like to make an amendment to the motion.

M/Supple, S/Vrieze Daniels to further amend the contract for private development to add the following language: prior to the issuance of the certificate of completion the developer must provide the Authority with evidence satisfactory to the Authority representative that all contractors, subcontractors, and project laborers have been paid.

Commissioner Vrieze Daniels asked why this amendment would need to be added and what evidence would be satisfactory. Chair Supple stated that it adds a way to impose compliance and is consistent with other contracts. Director Poehlman stated that HRA Attorney Julie Eddington suggested the wording and explained that a signed statement certifying that records have been checked and that all workers have been paid would act as evidence. Commissioner Vrieze Daniels expressed support of this amendment to be consistent with other developments.

Motion Carried: 3-0

The Commissioners expressed excitement for the additional affordability and the larger bedroom sizes added.

M/Supple, S/Vrieze Daniels to adopt a resolution approving an amendment to the Contract for Private Development with MWF Properties, awarding up to \$200,000 for affordability and energy-efficiency improvements, and authorizing the Chair and Executive Director to execute the amendment as amended.

HRA RESOLUTION NO. 1435

**RESOLUTION APPROVING AMENDMENT TO CONTRACT FOR
PRIVATE DEVELOPMENT
WITH MWF PROPERTIES, LLC**

Motion Carried: 3-0

ITEM #3	CONSIDERATION OF THE ADOPTION OF A RESOLUTION APPROVING A CONTRACT FOR PRIVATE DEVELOPMENT WITH 101 E 66TH ST LLC AND AUTHORIZING THE ISSUANCE OF A TAX INCREMENT LIMITED REVENUE NOTE RELATED TO THE CONSTRUCTION OF AN 80- UNIT MIXED USE PROJECT AT 101 - 66TH STREET EAST. (STAFF REPORT NO. 23)
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Director Poehlman presented Staff Report No. 23.

Commissioner Ohnesorge asked if there was a chosen selection on the accessible units. Director Poehlman stated that she did not know if they have selected which type of accessible units yet but will follow up with the Authority. Chair Supple asked a follow up question if the ADA accessible units would be ready to be accessible or already accessible. Director Poehlman stated that the units would already be accessible.

Commissioner Vrieze Daniels asked if the plans are the same as the previously approved contract for development for the site. Director Poehlman stated that this is a completely new project that has gone through the process with the Planning Commission and City Council and the previous contract for development was never executed.

Chair Supple verified the 5-year timeline with the TIF district. Director Poehlman stated that the timeline started in February 2022. Chair Supple also verified that the contract for development has language to protect workers' rights. Director Poehlman stated the language is included in the certificate of completion section and in the events of default.

M/Vrieze Daniels, S/Ohnesorge to approve a resolution approving a Contract for Private Development with 101 E 66th St LLC and authorizing the issuance of a Tax Increment Limited Revenue Note.

HRA RESOLUTION NO. 1436

RESOLUTION APPROVING CONTRACT FOR PRIVATE DEVELOPMENT WITH 101 E 66TH ST LLC AND AUTHORIZING THE ISSUANCE OF A TAX INCREMENT LIMITED REVENUE NOTE

Motion Carried: 3-0

ITEM #4	HRA DISCUSSION ITEMS <ul style="list-style-type: none"> • REVIEW AND DISCUSSION OF THE RICHFIELD REDISCOVERED PROGRAM
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Director Poehlman and Assistant Community Development Director Urban gave a brief summary of the memo given to the Authority that detailed the program and gave recommendations which is attached to the agenda.

Commissioner Ohnesorge asked about the amount to be given to the Affordable Housing Trust. Assistant Community Development Director Urban stated after the audit and consultant review is completed; an annual amount would be funded over the next four years that could be in the millions. Director Poehlman stated staff would return to the Authority to prioritize the funding.

Commissioner Vrieze Daniels stated that there are parts of the program that she loves and some that she does not. She wondered about the way to keep track of the goals that we have for Richfield and which programs help achieve those goals. She shared concerns of purchasing blighted properties that could be affordable housing to a potential buyer and taking available houses off the open market when they are sold to the HRA by the owner. She supports land trusts, extreme energy efficiency (net zero), accessory dwelling units (ADU), and duplexes. She stated that instead of calling the program 'Richfield Rediscovered' perhaps the program should be 'Richfield Reimagined' because it is what we want to see in the future of Richfield.

Commissioner Ohnesorge stated that out of the 151 homes in the program that accessibility was not addressed and that the program should move to include more accessible housing. Chair Supple followed up that accessibility should be part of the criteria for an ADU or a duplex and Commissioner Ohnesorge agreed. Assistant Community Development Director Urban offered the idea of Universal Design that would make a guideline to push for more readily accessible homes through the program.

Chair Supple mentioned the use of geothermal heating instead of the use of fossil fuels for these homes. Assistant Community Development Director Urban stated that there are some requirements for energy efficiency that have been recently revised which are standards for similar programs. Chair Supple thanked staff for the depiction of the costs and subsidies for the programs and asked about the uses of the Affordable Housing Trust Fund. Assistant Community Development Director Urban stated that the fund is restricted to capital costs and apartment remodeling could be done however income compliance would need to be done; she also stated that not a lot of applications are submitted for this fund. Chair Supple also clarified that the money for the Richfield Rediscovered Program would be returned back to the County if not used by the time the TIF districts end. Assistant Community Development Director Urban stated that we would love to keep the money invested in the community but if there are no opportunities some of the money would be returned to the County.

Commissioner Vrieze Daniels shared thoughts on instead of restricting the applicants that it could be reworded to state the preferences for the projects and the ones with the most aligned preferences would be awarded funds. Director Poehlman stated the importance of clear guidelines due to initial investment from homeowners.

The Commissioners expressed support for recommendation number three. Commissioner Vrieze Daniels stated opposition of recommendation number two. Director Poehlman asked a clarifying question regarding a homeowner selling their house to the HRA. Commissioner Vrieze Daniels shared thoughts on holding properties that would be just waiting for redevelopment instead of being sold on the open market. Chair Supple shared that we should not be actively seeking properties.

Director Poehlman read comments from Commissioner Regan Gonzalez that stated the importance of reviewing our programs that we provide and supported the staff recommendation to strategically focus the program while continuing to focus on affordability.

Commissioner Vrieze Daniels asked where the funds would go if we were to discontinue the program. Director Poehlman stated the funds would have to be used to correct blighted properties like World of Fish or 6501 Penn Ave and also stated that it has been a challenge to find good uses for the funds.

Assistant Community Development Director Urban gave a summary of the discussion:

- The Authority favored staff recommendation number three to use these funds to promote other goals of the HRA including accessibility, ADUs, and energy efficiency.

- The Authority was less interested in staff recommendation number two regarding the acquisition of blighted properties to the HRA.
- Staff will return with proposed changes all three programs (lot sale, credit, and new home) guidelines for HRA approval that would highlight the priorities of the programs.

Chair Supple, as also a member of the 494 Corridor Commission, mentioned that there are partnerships between other cities' HRAs and the 494 Corridor Commission and wondered if Richfield has been approached. Director Poehlman stated that we have not been approached but would be open to a partnership.

ITEM #5	EXECUTIVE DIRECTOR REPORT
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Director Poehlman updated the Authority on the 6501 Penn Ave demolition, an agreement with Better Futures to deconstruct 6326 14th Ave, and promoted the housing specialist position.

ITEM #6	CLAIMS
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M/Vrieze Daniels, S/Ohnesorge that the following claims be approved:

<u>U.S. BANK</u>	<u>6/20/2022</u>
Section 8 Checks: 133879 – 133961	\$188,423.68
HRA Checks: 34200 – 34214	<u>\$105,047.56</u>
TOTAL	\$293,471.24

Motion carried: 3-0

Item #7	ADJOURNMENT
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The meeting was adjourned by unanimous consent at 8:15 p.m.

Date Approved: August 15, 2022



 Mary B. Supple
 HRA Chair



 Melissa Poehlman
 Executive Director

 Kari Sinning
 City Clerk