



CITY COUNCIL MEETING MINUTES

Richfield, Minnesota

Joint City Council and HRA Work Session

October 17, 2022

CALL TO ORDER

Chair Supple called the work session to order at 6:00 p.m. in the Bartholomew Room.

Council Members Present: Mary Supple; Sean Hayford O'leary; and Ben Whalen

Council Members Absent: Maria Regan Gonzalez, Mayor; Simon Trautmann

HRA Members Present: Mary Supple, Chair; Lee Ohnesorge; and Gordon Hanson

HRA Members Absent: Maria Regan Gonzalez; Erin Vrieze Daniels

Staff Present: Julie Urban, Acting Executive HRA Director/Assistant Community Development Director; Katie Rodriguez, City Manager; and Kari Sinning, City Clerk

Chair Supple introduced the topic for discussion and turned it over to Acting Executive Director Urban.

ITEM #1	DISCUSS OPPORTUNITIES TO SPEND POOLED TAX INCREMENT WITHIN THE COMMUNITY
----------------	---

Acting Director Urban gave a presentation (available in the agenda) that overviewed the TIF Management Plan, three pooling options, and the recommended next steps. She explained that subsidies would not be available through any of these funds, but the department would look for other sources to help with down payment and rent assistance.

Council Member Hayford O'leary asked for clarification of the breakdown of the amount of total TIF funding. Acting Director Urban stated that 10 percent of the total TIF from all the districts would go into the affordable housing trust fund and that the additional breakdowns are based upon what the City has unencumbered until the end of this year and maxes out what is available. Council Member Hayford O'leary asked how blighted a district could be. Acting Director Urban explained the test that they do to classify a building as blighted for homes and commercial buildings are determined by an outside consultant.

Council Member Whalen asked for clarification about the restrictions on rental and down payment assistance. Acting Director Urban shared that it creates subsidized units instead of emergency

assistance. Council Member Whalen asked if we could address some of the other upfront funding costs that would make higher rent costs. Acting Director Urban stated that could be one option or it could be used for rental assistance directly, but it could not be a subsidy like we are used to. Council Member Whalen shared general agreement with the proposed way to prioritize the funds and commented on the need for deeper affordability.

Commissioner Hanson agreed with Council Member Whalen and wondered about the timeline to adopt the plan. Acting Director Urban stated that it would be brought the HRA during the November meeting and schedule a public hearing for December.

Council Member Whalen clarified the process that Council would be involved. Acting Director Urban stated that the HRA would be approving individual expenditures that are a part of the plan.

Council Member Hayford Oleary commented on the possibility of projects that the spending plan could be used on to foster future investment in the downtown area.

Chair Supple agreed with the plan and a good use of funds to ask Ehlers to come up with a plan and commented on maintaining the affordability of commercial spaces. Acting Director Urban mentioned the new Economic Development Manager that will be hired to help explore those concerns. Chair Supple expressed the need to maintain balance between residential and commercial opportunities. She agreed with the goals of the affordable housing trust fund plan and mentioned the consideration to help make spaces more climate resilient.

Council Member Whalen asked if the spending plan would have the flexibility to do the energy efficient upgrades. Acting Director Urban stated that it would have to be substantial rehabilitation or a new construction. Council Member Whalen asked about the utilization of apartment rehab loans. Acting Director Urban stated that we would probably have to reach out to the apartment places that we identify that could use the rehab loans. Council Member Whalen asked if we could be more proactive to meet the goals that we set. Acting Director Urban mentioned that the Community Development Department staff is hopeful to be more proactive.


Commissioner Hanson asked if the Penn Ave corridor could be involved in the spending plan. Acting Director Urban stated that it could if we would find a partner and it would be an increase of tax base. Chair Supple asked if that would apply to the east side of 66th Street. Acting Director Urban said that it could apply.

Acting Director Urban summarized the discussion of general agreement with the proposed plans and overviewed the timeline as stated above. Chair Supple extended thanks to the department and for the consultants.


ADJOURNMENT


The work session was adjourned by unanimous consent at 6:42 p.m.

Date Approved: November 22, 2022



Kari Sinning
City Clerk



Maria Regan Gonzalez
Mayor


Katie Rodriguez
City Manager