



**REGULAR HOUSING AND REDEVELOPMENT AUTHORITY MEETING
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS
AUGUST 15, 2022
7:00 PM**

Call to Order

Open Forum

Each speaker is to keep their comment period to three minutes to allow sufficient time for others. Comments are to be an opportunity to address the HRA. Please refer to the HRA agenda and minutes web page for additional ways to submit comments. You may also call 612-861-9764 or email ldubois@richfieldmn.gov with questions. Call into the open forum by dialing 1-415-655-0001 Use webinar access code: 2461 947 9457 and password: 1234.

Approval of the minutes of the: 1) Joint City Council, Housing and Redevelopment Authority, and Planning Commission Work Session of May 10, 2022; 2) the Regular Housing and Redevelopment Authority Meeting of June 21, 2022; and 3) the Special Housing and Redevelopment Authority Meeting of July 12, 2022.

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. Consideration of a resolution authorizing the use of Hennepin County Affordable Housing Initiative Funds in Richfield by the West Hennepin Affordable Housing Land Trust.
Staff Report No. 25
3. Consideration of items, if any, removed from Consent Calendar

RESOLUTIONS

4. Consider a resolution to acquire redevelopment property at 1710 - 78th Street East from the City of Richfield.
Staff Report No. 26
5. Consider resolutions approving proposed 2023 Proposed Housing and Redevelopment Authority Budget and Tax Levy and 2022 Revised Housing and Redevelopment Authority Budget.
Staff Report No. 27

HRA DISCUSSION ITEMS

6. HRA Discussion Items

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 612-861-9739.



CITY COUNCIL MEETING MINUTES

Richfield, Minnesota

Joint City Council, Planning Commission, and HRA Work Session

May 10, 2022

CALL TO ORDER

The work session was called to order by Mayor Pro Tempore Supple at 5:45 p.m. in the Bartholomew Room.

Council Members Present: Mary Supple, Mayor Pro Tempore; Simon Trautmann (5:47 p.m.); Sean Hayford O'leary; and Ben Whalen

Council Members Absent: Maria Regan Gonzalez, Mayor

Planning Commission Members Present: James Rudolph, Chair; Brett Stursa; Brendan Kennealy; and Ben Surma

Planning Commission Members Absent: Kathryn Quam and Eddie Holmvig-Johnson

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

HRA Members Absent: Maria Regan Gonzalez; Erin Vrieze Daniels

Staff Present: Katie Rodriguez, City Manager; Melissa Poehlman, Community Development Director; Chris Swanson, Management Analyst; and Kari Sinning, City Clerk

Others Present: Lance Bernard and Bryan Harjes, Representatives of HKGi and Tim Pabst, Representative of Olin 1 LLC

ITEM #1

EXPLORE REDEVELOPMENT GOALS AND DESIGN GUIDELINES FOR PUBLIC AND PRIVATE PROPERTY AT 1600, 1620, AND 1710 - 78TH STREET EAST

Mayor Pro Tempore Supple explained that Mayor Regan Gonzalez is out of town and introduced the topic and Community Development Director Poehlman. Director Poehlman gave a brief overview of the staff report and introduced Lance Bernard and Bryan Harjes from HKGi.

Lance Bernard presented an overview of the site, the ideas that are being explored, the potential site opportunities and challenges, and some prospective examples such as hotels, entertainment developments, and medical/office spaces.

Council Member Hayford O'Leary asked about the ownership of the frontage road right-of-way that is dead ended. Lance Bernard stated that he was unsure but it would be great to utilize that space if it was moved further towards the tunnel. Director Poehlman guessed that it is owned by MnDOT but would follow up. Council Member Hayford O'Leary also asked if they have been in contact or thought about the needs of the Jaguar dealership. Bryan Harjes shared that it was a topic of discussion which could help the dealership and the property in question. Council Member Hayford O'Leary also asked where the retaining walls start to lower towards the tunnel and Director Poehlman showed the locations on the map. Council Member Hayford O'Leary stated that this will hopefully be a gateway to Richfield and it would be great to incorporate those into the area much like Lake Street and Hiawatha Ave.

Council Member Whalen asked about the zoning and use of the site to the northeast that is vacant. Director Poehlman stated that the site is not available for redevelopment and City Manager Rodriguez stated that it must be used for a public use.

Mayor Pro Tempore asked about pedestrian access. Lance Bernard stated that dependent upon the chosen use of the site but they still want to make sure that this is a walkable environment. Director Poehlman explained that there will be pedestrian walkways from Richfield Parkway.

Council Member Trautmann thanked them for the explanation of the site to the northeast and expressed urges to utilize the northeast site to complement the redevelopment. Lance Bernard appreciated the comment as it helps them and potential developers to understand the goals and aspirations of the area.

Lance Bernard shared example ideas and asked the attendees for input that would be in line with their goals of the area. Example ideas included entertainment spaces (bowling, pickleball courts, mini golf, iFly), restaurants with rooftop access to watch the planes, hotels with banquet halls, and medical office uses.

Commissioner Hanson asked about the capacity for a hybrid model (hotel and entertainment). Lance Bernard stated that it might be difficult to incorporate that model into the 3.7 acre site; however, a smaller entertainment like Pinstripes or iFly might work with a hotel. Lance Bernard stated that the specific design is dependent upon the developer and the goal of the work session is to gauge the goals of area.

Commissioner Kennealy was drawn more towards indoor entertainment uses that could be used year round. Lance stated that they were also drawn more towards entertainment uses as it has a regional draw and local asset.

Planning Commission Chair Rudolph expressed interest in entertainment purposes that would be able to be used all year round and promoted a Pinstripes-like atmosphere that could even include curling. Lance Bernard asked the collective group regarding the year round use and Bryan Harjes stated that indoor uses might be more appealing due to travelers from the airport during spring break or the holidays.

Council Member Whalen stated that this site should be a destination to travelers but most importantly be accessible and affordable to the neighborhood. He stated support for indoor entertainment due to the noise of the airport. He strongly encouraged incorporation of neighboring community use; perhaps a new home for Benefactor Brewing of which Director Poehlman has already been in contact with Benefactor about the site.

Council Member Hayford O'Leary shared that this site might be a little out of the way for active social activities as it is kind of boxed in with the dealerships and the residential area but he would be okay with it if the visibility to the freeway brings value to the area.

Council Member Trautmann shared concerns to placing an entertainment site that could be vacant for years with the downturn of the economy and promoted the thought of having a medical office due to the proximity to the airport as a surgical destination. He also promoted the idea of a mid-sized athletic facility that could double as meeting spaces.

Commissioner Stursa expressed consideration of the local neighborhood specifically activities for older kids.

Bryan Harjes asked about the identity of the neighborhood and how Washington Park to the north, the vacant lot to the northeast and this development could collaborate. Director Poehlman shared that the recreation department would like more parking due to the well-attended events at the pickleball courts and soccer fields. Council Member Whalen added that indoor pickleball would be a hit because people are already used to going to the area for that and also strongly urged against a strip mall on this site.

Mayor Pro Tempore Supple shared her aversion to a hotel that could create minimum wage jobs and would like to see opportunities to provide jobs that pay more than minimum wage such as a medical office. She echoed the comment of Commissioner Stursa to provide activities for teens and would support a mixed use. She also shared an idea of a global farmer's market since the area is a food desert.

Commissioner Kennealy shared a brainstorming idea of a concert venue.

Commissioner Ohneosorge stressed the importance of green spaces and shared an idea of a long-term care facility.

Council Member Whalen liked Mayor Pro Tempore Supple's idea of a global market and wondered about indoor playgrounds. Bryan Harjes mentioned something like the Brookview Backyard Indoor Playground in Golden Valley that also has meeting spaces.

Council Member Trautmann also agreed with a cultural or global market that could be a regional draw.

Commissioner Surma mentioned that with the underpass, transit opportunities would be more accessible.

The presenters summarized the prior discussion stating that this site should be integrated into the neighborhood and provide some sort of entertainment value to the community. Bryan Harjes asked for thoughts on how to balance intensity of use and density due to the major interstates and the visibility and the neighborhood aspect.

Council Member Hayford O'Leary shared thoughts that the site should have a minimum height that is as close to the maximum height possible for more visibility from the interstate and as little surface parking as possible.

Commissioner Hanson echoed the comment of Council Member Hayford O'Leary that the site should be used for high intensive use.

Council Member Trautmann asked if parking could be a use of the non-developed parcel to the northeast. City Manager Rodriguez said that it would be.

Commissioner Kennealy asked for clarification of access from the interstate. Director Poehlman stated that if someone was on I-494, they would need to exit at 24th Ave or Portland Ave and reiterated that this should be a destination that would attract people to want to go there purposefully.

Council Member Whalen echoed the comment of high intensive use and possibly stepping it down as it gets closer to the park.

Chair Rudolph asked if the limited access to the site could restrict the type developments. Bryan Harjes stated that with the underpass and the connection to the Mall of America there shouldn't be a problem with that and the site will continue to be a high visibility area; the main difficulty will be how to balance the connection to the neighborhood.

Director Poehlman asked Tim Pabst if there was anything he wanted to add. Tim Pabst stated that they would like to continue to be involved with the project if they are able. Director Poehlman stated that there will be a memorial honor to the Mathwig family that donated the site.

Director Poehlman summarized the work session and the next steps. HGKi gathered feedback from the work session and will meet with the City again for more concrete ideas. She stated that if developers that wonder about the property that the general community would want to see something that provides benefits to the community, provides higher paying jobs, and provides visibility that draws people into Richfield.

Mayor Pro Tempore Supple thanked Tim Pabst for the donation and HGKi for coming to share their ideas.

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| ADJOURNMENT |
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The work session was adjourned by unanimous consent at 6:49 p.m.

Date Approved: August 15, 2022

Mary B. Supple
HRA Chair

Kari Sinning
City Clerk

Melissa Poehlman
Executive Director



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

M/Vrieze Daniels, S/Ohnesorge to approve the agenda.

Motion carried: 3-0

ITEM #2

CONSIDERATION OF A RESOLUTION AWARDING 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)

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

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| 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

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| 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.

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| 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.

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

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| <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

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| 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

Kari Sinning
City Clerk

Melissa Poehlman
Executive Director



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Special HRA Meeting

July 12, 2022

CALL TO ORDER

The meeting was called to order by Chair Supple at 6:15 p.m. in the Council Chambers.

HRA Members Present: Mary Supple, Chair; Erin Vrieze Daniels, Vice Chair; Maria Regan Gonzalez; Lee Ohnesorge; and Gordon Hanson

HRA Members Absent: None

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

Others Present: Ben Lentz, MICC; Doug Jandro, Bumpy Lane

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

Motion carried: 5-0

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| ITEM #2 | CONSIDERATION OF A RESOLUTION SUPPORTING A TAX CREDIT APPLICATION FOR A PROPOSED MIXED-USE DEVELOPMENT BY MINNESOTA INDEPENDENCE COLLEGE AND COMMUNITY, LOCATED AT 2000, 2006 AND 2018 - 76TH STREET WEST AND 7532 MORGAN AVENUE SOUTH. (STAFF REPORT NO. 24) |
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Assistant Community Development Director Urban presented Staff Report No. 24.

M/Vrieze Daniels, S/Hanson to approve a resolution supporting a tax credit application for a proposed mixed-use development by Minnesota Independence College and Community, located at 2000, 2006 and 2018 - 76th Street West and 7532 Morgan Avenue South.

HRA RESOLUTION NO. 1437

**RESOLUTION SUPPORTING A TAX CREDIT APPLICATION FOR
A MULTIFAMILY HOUSING PROJECT**

Chair Supple thanked MICC for their great community work.

Commissioner Ohnesorge congratulated the developer for going above and beyond the inclusionary housing policy.

Doug Jandro thanked the HRA for the support on this project and gave a brief description of his background.

Commissioner Regan Gonzalez thanked MICC for being present, expressed excitement for the growth of MICC and for the continued partnership between the City and MICC.

Motion Carried: 5-0

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| ITEM #3 | ADJOURNMENT |
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The meeting was adjourned by unanimous consent at 6:20 p.m.

Date Approved: August 15, 2022

Mary B. Supple
HRA Chair

Kari Sinning
City Clerk

Melissa Poehlman
Executive Director



STAFF REPORT NO. 25
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
8/15/2022

REPORT PREPARED BY: Celeste McDermott, Housing Specialist
OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Executive Director
8/9/2022

ITEM FOR COUNCIL CONSIDERATION:

Consideration of a resolution authorizing the use of Hennepin County Affordable Housing Initiative Funds in Richfield by the West Hennepin Affordable Housing Land Trust.

EXECUTIVE SUMMARY:

The Housing and Redevelopment Authority (HRA) works with the West Hennepin Affordable Land Housing Trust (WHAHLT), dba Homes Within Reach, to purchase and rehabilitate homes to be sold to income-qualifying households through the HRA's New Home Program. WHAHLT is a Community Land Trust that allows moderate-income buyers to achieve affordable homeownership by holding ownership of the land, and reducing the burden of down payment and large mortgage payments on the homeowner. The model ensures ongoing affordability throughout the lifetime of the property and with multiple owners.

WHAHLT received an award of \$175,000 from Hennepin County's Affordable Housing Initiative Fund (AHIF) to provide affordable housing in scattered sites across suburban Hennepin County. WHAHLT is planning to utilize an estimated \$22,000 of the allotted funding on properties in Richfield, including 7209 Knox Avenue South where rehabilitation work is already underway.

Hennepin County requires that a City or the HRA provide a resolution authorizing the use of AHIF within its community.

RECOMMENDED ACTION:

By motion: Adopt the resolution authorizing use of Affordable Housing Initiative Funds in Richfield by the West Hennepin Affordable Housing Land Trust.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- Since 2002, WHAHLT has successfully purchased, rehabilitated and sold 14 homes in Richfield to households earning no more than 80 percent of the Area Median Income.
- Funding for the work of the New Home Program has varied by year, with most recent projects funded with local Community Development Block Grant (CDBG) funds as well as pooled Tax Increment Financing (TIF) and the Affordable Housing Trust Fund.

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

- The objectives of the New Home Program are to:
 - Eliminate the blighting influence of substandard housing, thus improving residential neighborhoods;

- Maintain and improve the existing housing stock while preserving housing affordability;
- Develop quality housing with long-term affordability, to the greatest extent possible;
- Coordinate with developers to provide affordable housing for families.
- Purchasing and rehabilitating homes to provide affordable housing carries out the policies of the City's Comprehensive Plan, including: Support the rehabilitation and upgrading of the existing housing stock; 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:

- WHALHT is currently working on the rehabilitation of one property in Richfield and is looking for an additional property.
- WHAHLT cannot utilize AHIF funds in Richfield until a resolution is approved by the HRA.

D. FINANCIAL IMPACT:

- WHAHLT is requesting the authorization to use AHIF funds towards the acquisition and rehabilitation of properties in Richfield.
- The use of AHIF in Richfield does not require financial participation from the HRA; however, in October 2021 the HRA approved a Developers Agreement with WHAHLT for the development of up to 5 homes through December 2022 using up to \$200,000 in pooled TIF funding.

E. LEGAL CONSIDERATION:

- The resolution is required by Hennepin County before AHIF funds can be used.

ALTERNATIVE RECOMMENDATION(S):

- Do not adopt the resolution authorizing the use of AHIF funds in Richfield.

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A

ATTACHMENTS:

| Description | Type |
|--------------|-------------------|
| □ Resolution | Resolution Letter |

HRA RESOLUTION NO. _____

**RESOLUTION APPROVING THE PARTICIPATION OF THE HENNEPIN COUNTY
HOUSING AND REDEVELOPMENT AUTHORITY IN AN AFFORDABLE HOUSING
PROJECT**

WHEREAS, the Hennepin County Housing and Redevelopment Authority (HCHRA) has approved the use of a \$175,000 Affordable Housing Incentive Fund (AHIF) loan for West Hennepin Affordable Housing Land Trust (WHAHLT), dba Homes Within Reach contingent upon the City of Richfield Housing and Redevelopment Authority's (HRA) consent to the HCHRA's participation in the project.

WHEREAS, The purchase of up to ten homes to be acquired for the WHAHLT program, of which one or more properties may be located within the city of Richfield and the rest within suburban Hennepin County, will preserve the supply of affordable housing in the city by providing long-term affordability.

WHEREAS, AHIF from the HCHRA will complete the financing required for the project to go forward.

NOW THEREFORE, BE IT RESOLVED that the participation of the HCHRA in the project for the limited purpose of providing financial support to the project is hereby approved.

BE IT FURTHER RESOLVED that nothing in this resolution shall create a pecuniary obligation of the HRA to assist the project, nor shall the HRA be in any way responsible for any financing obligation or agreement of the HCHRA with respect to its provision of financial assistance to the project.

BE IT FURTHER RESOLVED that nothing in this resolution is intended to endorse the merits of the projects to be undertaken.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield this 15th day of August, 2022.

Mary B. Supple, Chair

ATTEST:

Maria Regan Gonzalez, Secretary



STAFF REPORT NO. 26
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
8/15/2022

REPORT PREPARED BY: Melissa Poehlman, Executive Director
OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Executive Director
8/9/2022

ITEM FOR COUNCIL CONSIDERATION:

Consider a resolution to acquire redevelopment property at 1710 - 78th Street East from the City of Richfield.

EXECUTIVE SUMMARY:

The property at 1710 - 78th Street East was purchased by the City of Richfield in 2000 to facilitate construction of the 77th Street underpass. It was unclear at the time exactly how much of the parcel would be needed in that construction. Now that it has been determined, staff is recommending that the remnant parcel be conveyed to the Housing and Redevelopment Authority (HRA) to facilitate redevelopment of the property along with 1600 and 1620 - 78th Street East.

One of the primary purposes of a City's HRA is to purchase and sell properties for redevelopment purposes. State Statutes have established a more streamlined process for HRA's to act in this capacity (versus cities). On July 12, 2022 the City Council approved the conveyance of the property to the HRA for \$1.00; the HRA must now authorize the acquisition.

RECOMMENDED ACTION:

By motion: Approve a resolution authorizing the acquisition of certain property within the City of Richfield.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- In 2000, 1710 - 78th Street was acquired by the City to facilitate construction of the 77th Street tunnel.
- The remnant land, not needed for the underpass, is now available for redevelopment.
- In December 2021, the HRA accepted the generous donation of property at 1600 - 78th Street East.
- In May, the Council, HRA, and Planning Commission participated in a facilitated discussion of the possible redevelopment of properties at 1600, 1620, and 1710 - 78th Street East.

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

- State Statutes prescribe a process allowing a City's HRA to purchase and sell properties for redevelopment purposes.
- Since 2015, it has been standard practice for the City to convey property to the HRA for redevelopment.

C. CRITICAL TIMING ISSUES:

- Attached to this report is a marketing brochure that will be used to convey the general desires of the City to potential developers.
- This brochure has been shared and reviewed by the owner of 1620 - 78th Street East.
- In order to effectively manage the redevelopment, all parcels over which the City has control should be managed by a single entity. As described above, the HRA is the preferred entity.

D. FINANCIAL IMPACT:

- If approved, the property will be conveyed for a fee of \$1.00. The fee is a contractual requirement.

E. LEGAL CONSIDERATION:

- HRA legal counsel has advised this action.

ALTERNATIVE RECOMMENDATION(S):

None

PRINCIPAL PARTIES EXPECTED AT MEETING:

None

ATTACHMENTS:

| Description | | Type |
|--------------------------|---|-------------------|
| <input type="checkbox"/> | Resolution | Resolution Letter |
| <input type="checkbox"/> | Marketing Flyer - 77th Street Tunnel Site | Exhibit |

HRA RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE ACQUISITION OF CERTAIN PROPERTY WITHIN
THE CITY OF RICHFIELD**

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (“the HRA”) desires to obtain certain real property as described in the attached Exhibit A (“the Property”) currently owned by the City of Richfield, pursuant to and in furtherance of its redevelopment efforts;

WHEREAS, the HRA is authorized by Minnesota Statutes Section 469.012 to acquire real property within its area of operation;

WHEREAS, the HRA has determined that acquisition of said property is in furtherance of its redevelopment purposes; and

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

1. The conveyance of the Property by the City to the HRA is hereby approved.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota on this 15th day of August, 2022.

Mary B. Supple, Chair

ATTEST:

Maria Regan Gonzalez, Secretary

EXHIBIT A

City of Richfield property to be conveyed to Richfield HRA

That part of the North 180.26 feet of the South Half of the Southeast Quarter of the Southeast Quarter of Section 35, Township 28, Range 24, lying East of the West 722 feet thereof;

Except that portion thereof contained in the following described tract: Beginning at a point in the East line of said Section 35, distant 383 feet North of the Southeast corner of said Section 35; thence West parallel with the South line of said Section 35 distant 158 feet; thence North parallel with the East line of said Section 35 distant 150 feet; thence East parallel with the South line of said Section 35 distant 158 feet; thence South along the East line of said Section 35 distant 150 feet to the point of beginning.

Torrens Certificate No. 1058854








I-494 Mixed Use Redevelopment Opportunity



JULY 2022

Richfield's Next Destination

The City of Richfield is looking for **interested developers to create a unique destination** for the northwest corner of I-494 and Highway 77 (Cedar Avenue). The preferred developer will work collaboratively with the City of Richfield, Housing & Redevelopment Authority (HRA), and a private property owner to accomplish an implementable development plan **that achieves the following goals:**

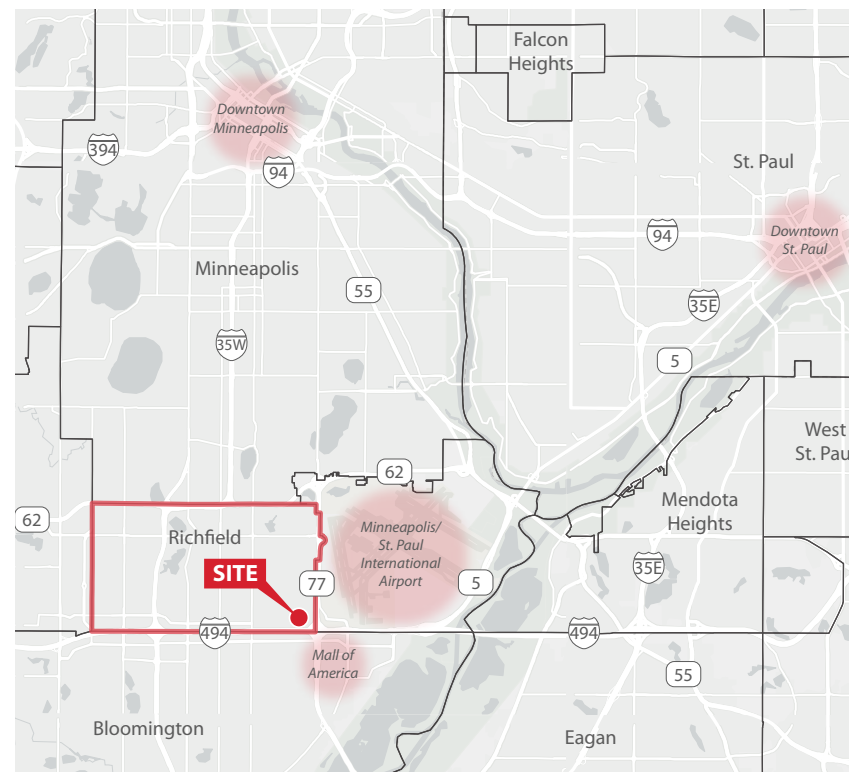
-  Create a unique & interesting destination.
-  Create a walkable & bikeable environment.
-  Ensure the utilization of the land provides a regional & local benefit.
-  Establish a brand that is distinctive to Richfield.
-  Ensure development is compatible with adjacent uses & the surrounding neighborhood.
-  Incorporate public spaces that are welcoming.
-  Recognize private contributions & partnerships.

SITE DESCRIPTION

The parcels include 1600, 1620, and 1710 - 78th Street East. Combined, these parcels create one of the last remaining redevelopment sites (3.7 acres) along the I-494 corridor guided for mixed-use. The site is in close proximity to the Minneapolis-Saint Paul International Airport and Mall of America, and is highly visible from the interstate system. These attributes contribute to the site's potential for becoming a regional destination.

SITE HISTORY

The property at 1710 - 77th Street East was purchased by the City in 2000 for the construction of the 77th Street underpass. In December 2021, the Housing & Redevelopment Authority (HRA) accepted the generous donation of the property at 1600 - 78th Street East by the Jerry Mathwig Trust. The Mathwig Trust continues to own the property between these two lots, 1620 - 78th Street East, and has indicated a desire to work collaboratively with the City and HRA to holistically redevelop the area.



SITE REGIONAL CONTEXT MAP



SITE & SURROUNDING CONTEXT

PREFERRED LAND USE TYPES

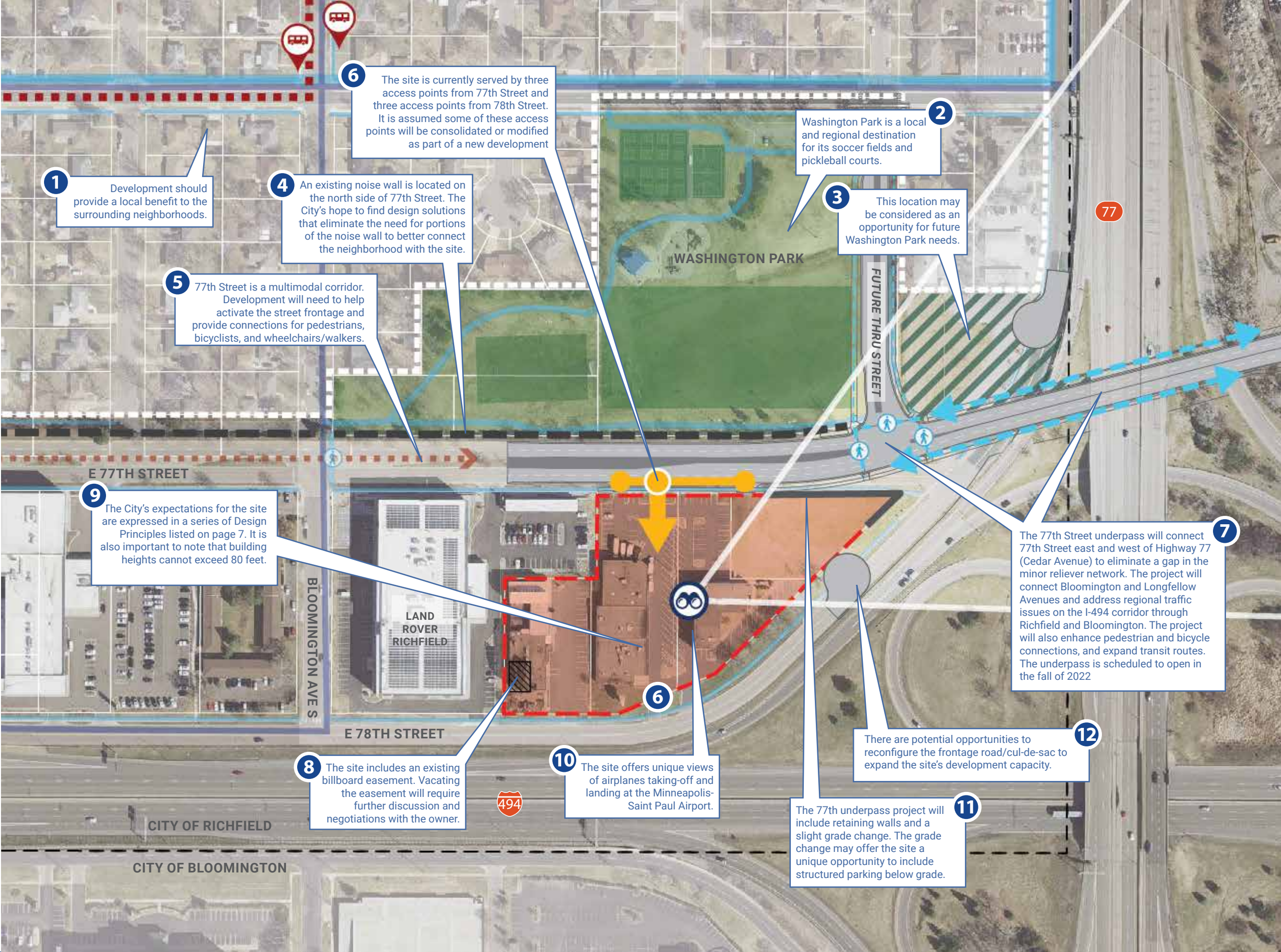
The parcels are guided by the City's Comprehensive Plan for "Regional Commercial," which supports retail, entertainment, lodging facilities, meeting facilities, and limited office. The Regional Commercial designation supports high density development patterns and greater building heights that do not conflict with airport zoning regulations (maximum building height is 80 feet). The parcels are zoned for "MU-R Mixed Use-Regional," which also supports a mix of commercial and retail uses.



PREFERRED LAND USE TYPES FOR THE SITE MAY INCLUDE:

- » Hotels + Public Meeting Space
- » Food and Dining
- » Breweries and Distilleries
- » Game and Entertainment Centers
- » Food Halls or Markets
- » Event Space
- » Athletic Facilities
- » Business Incubators or Makers Space
- » Vertical Farms
- » Educational Institutions
- » Medical Uses

Site Opportunities & Constraints





Development Principles

The City of Richfield and its partners have established a list of development principles for guiding and evaluating future development proposals. The principles embody the groups general desires and intentions for the reuse of the site.

- 1 **Gateway:** Create a “gateway” into the community that is visible from I-494 and Cedar Avenue.
- 2 **Public Space:** Provide and maintain a publicly accessible space, which may include a plaza, courtyard, or community room.
- 3 **Site Intensity:** Maximize the site’s capacity to achieve greater lot coverage and densities, while providing ample space for landscaping treatments and public spaces.
- 4 **Building Transition:** Require site design and building architectural characteristics that provide appropriate transition between residential neighborhoods and Washington Park.
- 5 **Building Height:** Maximum height of 8 stories. Building heights cannot exceed 80ft (airport zone).
- 6 **Building Frontage:** Locate commercial and retail space on the ground floor and provide direct access from street frontages and open spaces.
- 7 **Building Orientation:** Require site design and building orientation to avoid linear patterns (e.g., strip commercial development) that can negatively impact the community’s identity.
- 8 **Connectivity:** Increase the site’s connectivity to Washington Park and neighborhoods by incorporating pedestrian, wheelchair/walker, and bicycle connections.
- 9 **Views:** Explore rooftop views that offer a unique experience for patrons to view airplanes taking-off and landing at the Minneapolis-Saint Paul Airport.
- 10 **Sustainable Development:** Use sustainable design practices and new technology in developments that will help create a healthy, sustainable, vibrant neighborhood, and contribute to the park environment.
- 11 **Job Creation:** Provide jobs that offer livable wage for its employees.
- 12 **Structured Parking:** Integrate structured parking in subtle and non-intrusive ways that complements the site’s aesthetics and character
- 13 **Quantity of Parking:** Minimize parking needs by leveraging the site’s location along multimodal corridors to reduce the use of the automobile, while limiting neighborhood impacts.



Contact Information



Development inquiries should be directed to:

Melissa Poehlman
Community Development Director
City of Richfield

Phone: 612.861.9777

Email: MPoehlman@richfieldmn.gov





STAFF REPORT NO. 27
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
8/15/2022

REPORT PREPARED BY: Kumud Verma, Finance Manager
OTHER DEPARTMENT REVIEW: N/A

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Executive Director
8/10/2022

ITEM FOR COUNCIL CONSIDERATION:

Consider resolutions approving proposed 2023 Proposed Housing and Redevelopment Authority Budget and Tax Levy and 2022 Revised Housing and Redevelopment Authority Budget.

EXECUTIVE SUMMARY:

The bylaws of the Richfield Housing and Redevelopment Authority (HRA) require that an annual budget be submitted to the HRA Commissioners for approval. Accordingly, the 2023 Proposed Budget and Tax Levy and 2022 Revised Budget are presented for approval.

In addition, Minnesota State Statutes require adoption of a preliminary tax levy from each taxing authority. The proposed tax levy must be certified to the Hennepin County Auditor by September 30, 2022. Any amendments to the proposed budget, which would increase the property tax levy, must be made prior to September 30, 2022. No increases in the tax levy are permissible after that date, only reductions. Final certification of the HRA tax levy is part of the City's budget process.

The recommended tax levy as proposed represents a 4% increase from the previous year's levy.

RECOMMENDED ACTION:

By motion: Adopt the attached resolutions approving the 2023 Proposed Housing and Redevelopment Authority Budget and Tax Levy and 2022 Revised Housing and Redevelopment Authority Budget.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

N/A

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

- Minnesota Statutes require adoption of a preliminary levy from each taxing authority.
- The budget and accompanying proposed levy for 2023 are ready for consideration.
- Even though a public hearing for the HRA tax levy is not required by State Statute, this does not preclude the HRA from opening this item up for public discussion if the HRA desires to do so.

C. CRITICAL TIMING ISSUES:

- As required by State Statutes, each taxing authority must certify its proposed tax levy for the payable year 2023 to the County Auditor on or before September 30, 2022.

D. FINANCIAL IMPACT:

- The Proposed 2023 HRA levy represents a 4% increase from the previous year's levy. This equates to an \$26,000 increase.

- The levy is approximately \$112,956 less than the maximum HRA levy established by law of the .0185% of the City's total estimated taxable market value.

E. LEGAL CONSIDERATION:

N/A

ALTERNATIVE RECOMMENDATION(S):

- The HRA could adopt a preliminary levy less than the one proposed herein. However, that would not provide for programs that are recommended in the 2023 Proposed/2022 Revised budget.
- The HRA could also consider adoption of a greater levy (up to \$788,916), but that would exceed the expressed needs of staff and may result in a burdensome property tax bill for residents.

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A

ATTACHMENTS:

| Description | Type |
|--|-------------------|
| □ 2023 HRA Proposed Budget and Tax Levy Resolution | Resolution Letter |
| □ 2022 Revised HRA Budget | Resolution Letter |

HRA RESOLUTION NO.

**RESOLUTION APPROVING PROPOSED 2023 HOUSING AND REDEVELOPMENT
AUTHORITY BUDGET AND CERTIFYING THE 2023 TAX LEVY**

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

Section 1. The budget for the Housing and Redevelopment Authority General Fund of Richfield for the year 2023 in the amount of \$572,150 is hereby ratified.

Section 2. The estimated gross revenue of the Housing and Redevelopment Authority General Fund of Richfield from all sources, including general ad valorem tax levies as hereinafter set forth for the year 2022, and as the same are more fully detailed in the Executive Director's official copy of the budget for the year 2022, in the amount of \$679,700 is hereby approved.

Section 3. There is hereby levied upon all taxable property in the City of Richfield an ad valorem tax in 2022, payable in 2023 for the following purposes:

| | |
|-------------------------------------|-----------|
| Housing and Redevelopment Authority | \$675,960 |
|-------------------------------------|-----------|

Section 4. A certified copy of this resolution shall be transmitted to the County Auditor.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 15th day of August, 2022.

Mary B. Supple, Chair

ATTEST:

Maria Regan Gonzalez, Secretary

RESOLUTION NO.

**RESOLUTION AUTHORIZING REVISION OF THE 2022 BUDGET OF THE
HOUSING AND REDEVELOPMENT AUTHORITY OF RICHFIELD**

WHEREAS, Resolution No. appropriated funds for personal services and other expenses and capital outlay for the Housing and Redevelopment Authority for the year 2020, and

WHEREAS, The Executive Director has requested a revision of the 2020 budget as detailed in the 2021 budget document.

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

Section 1. That the 2022 appropriation for the Housing and Redevelopment Authority General Fund is revised as follows:

\$75,650 decrease

Section 2. Estimated 2022 gross revenue of the Housing and Redevelopment Authority General Fund from all sources, as the same is more fully detailed in the Executive Director's official copy of the 2022 budget document, are hereby revised as follows:

\$77,400 increase

Section 3. That the Executive Director bring into effect the provisions of this resolution.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 15th day of August, 2022.

Mary B. Supple, Chair

ATTEST:

Maria Regan Gonzalez, Secretary