



**REGULAR HOUSING AND REDEVELOPMENT AUTHORITY MEETING
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS
DECEMBER 19, 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: 2458 440 3509 and password: 1234.

Approval of the minutes of the Regular Housing and Redevelopment Authority meeting of November 21, 2022.

AGENDA APPROVAL

1. Approval of the Agenda

RESOLUTIONS

2. Consider a resolution providing preliminary approval for the issuance of \$10 million in revenue bonds for the benefit of the Upper Post Flats housing development.

Staff Report No.36

OTHER BUSINESS

3. Consider the appointment of a temporary Secretary for the Richfield Housing and Redevelopment Authority.

Staff Report No. 37

HRA DISCUSSION ITEMS

4. HRA Discussion Items

EXECUTIVE DIRECTOR REPORT

5. Executive Director's Report

CLAIMS

6. Claims
7. 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.



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Regular Meeting

November 21, 2022

CALL TO ORDER

Chair Supple called the meeting to order at 7:00 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; Celeste McDermott, Housing Specialist; and LaTonia DuBois, Administrative Assistant.

Others Present: None

OPEN FORUM

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

Ruane Onesirosan, 2421 65th Street West, addressed the Housing and Redevelopment Authority (HRA) about Staff Report No. 31 on the October 17, 2022, HRA Consent Calendar.

APPROVAL OF THE MINUTES

M/Regan Gonzalez, S/Hanson to approve the minutes of the 1) Joint City Council and Housing and Redevelopment Authority Work Session of October 17, 2022; and 2) the Regular Housing and Redevelopment Authority Meeting of October 17, 2022.

Motion carried: 5-0

ITEM #1

APPROVAL OF THE AGENDA

M/Vrieze Daniels, S/Regan Gonzalez to approve the agenda.

Motion carried: 5-0

ITEM #2	CONSIDER A RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS FROM THE LYNDAL GATEWAY / INTERCHANGE WEST, URBAN VILLAGE, AND CITY BELLA TAX INCREMENT FINANCING DISTRICTS TO THE AFFORDABLE HOUSING TRUST FUND AND CONSIDERATION OF PRIORTIES FOR THE USE OF TRUST FUND RESOURCES FOR AFFORDABLE HOUSING DEVELOPOMENTS. (STAFF REPORT NO. 33)
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Assistant Community Development Director Urban presented Staff Report No. 33.

Commissioner Vrieze Daniels inquired about when the funding needs to be used. Assistant Community Development Director Urban explained.

Chair Supple inquired about the possibility of returning funding to the original District, Assistant Community Development Director Urban clarified funds would not need to be returned.

Commissioner Regan Gonzalez expressed excitement about the Affordable Housing Trust Fund.

Commissioner Ohnesorge expressed appreciation about exceeding the Affordable Housing Policy requirements.

Chair Supple expressed appreciation for the special legislation that allows the transfer of Tax Increment funding.

HRA RESOLUTION NO. 1444

**TRANSFERRING POOLED TAX INCREMENT FROM TAX
INCREMENT FINANCING DISTRICTS WITHIN THE CITY OF
RICHFIELD FOR AFFORDABLE HOUSING PURPOSES**

M/Regan Gonzalez, S/Vrieze Daniels to adopt a resolution authorizing the transfer of \$750,000 from the Lyndale Gateway / Interchange West, Urban Village and City Bella Tax Increment Financing Districts to the Affordable Housing Trust Fund.

Motion Carried: 5-0

M/Regan Gonzalez, S/Vrieze Daniels to adopt priorities for the use of Trust Fund resources when assisting affordable housing developments.

Motion Carried: 5-0

ITEM #3	CONSIDER A RESOLUTION ADOPTING A SPENDING PLAN FOR UNOBLIGATED TAX INCREMENT. (STAFF REPORT NO. 34)
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Executive Director Poehlman presented Staff Report No. 34.

Commissioner Hanson inquired about using the funds for small business initiatives. Executive Director Poehlman explained and mentioned the potential of funds being used for future Economic Development programs.

Chair Supple inquired about climate resilience and energy efficiency programs for existing businesses. Executive Director Poehlman explained the possibilities and announced a report from the Economic Development specialist would be presented to the HRA in January.

M/Hanson, S/Regan Gonzalez to approve the attached resolution and Spending Plan for unobligated tax increment.

HRA RESOLUTION NO. 1445

**APPROVING A SPENDING PLAN FOR CERTAIN TAX
INCREMENT FINANCING DISTRICTS LOCATED IN THE CITY OF
RICHFIELD**

Motion Carried: 5-0

ITEM #4	CONSIDERATION OF THE APPROVAL OF REVISIONS TO THE RICHFIELD REDISCOVERED LOT SALE PROGRAM GUIDELINES AND THE RICHFIELD REDISCOVERED CREDIT PROGRAM GUIDELINES. (STAFF REPORT NO. 35)
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Housing Specialist McDermott presented Staff Report No. 35

Commissioner Regan Gonzalez expressed excitement for updates and modifications to the Richfield Rediscovered Programs.

Commissioner Vrieze Daniels appreciated the changes and discussion and thanked staff. Commissioner Vrieze Daniels inquired about bedroom and garage size requirements, the goal of the Programs and about future modifications. Assistant Community Development Director Urban provided explanation for requirements and flexibility within the Programs and offered to prepare more information at a later meeting.

Commissioner Hanson inquired about deconstruction versus demolition and cost difference. Housing Specialist McDermott explained the costs are similar.

Commissioner Hanson spoke of the green credit portion of the Program and the treatment of and preserving mature trees, inquiring about who has the final say in the decision of mature trees being removed or preserved. Housing specialist McDermott explained the idea would be that it would be up to City staff and would be reviewed by the City Forester. Commissioner Hanson stated he would like to see efforts made to keep mature trees.

Commissioner Ohnesorge thanked staff for including the Inclusionary Housing and Accessibility section in the report and stated that it shows we are building for the future.

Chair Supple inquired about accessibility standard requirements through the Programs.

Housing Specialist McDermott explained the City went to the full accessibility standards.

M/Vrieze Daniels, S/Hanson to approve the recommended revisions to the Richfield Rediscovered Lot Sale Program Guidelines and to the Richfield Rediscovered Credit Program Guidelines.

Motion Carried:5-0

ITEM #5	HRA DISCUSSION ITEMS
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Commissioner Ohnesorge asked staff to share his suggestion that the City Council give recognition to Indigenous Peoples month.

Commissioner Regan Gonzalez shared reports from the recent regional counsel of the mayor's meeting.

Chair Supple inquired about the construction timeline for the development on 66th street and 1st Avenue. Executive Director Poehlman provided an update on current work, stated that the developer understands this is a priority and initial applications are being reviewed.

Commissioner Regan Gonzalez inquired about former Local Roots site. Executive Director Poehlman explained Eric the Red would not be going into the site and that she has spoken with a few perspective tenants.

ITEM #6	EXECUTIVE DIRECTOR REPORT
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Executive Director Poehlman announced that the HRA applied, on behalf of Woodlawn Terrace, for additional funding with the Met Council to fill a gap in funding that would allow them the opportunity to provide more affordable housing. Executive Director Poehlman informed the Commission about an upcoming work session in January that will provide an update on the Economic Development survey work that has been completed. Executive Director Poehlman reported Community Development Accountant, Myrt Link's retirement after nearly 30 years with the City and spoke of what a great loss Link will be to the City and the Commission.

Chair Supple and Commissioners extended gratitude for Link's service and dedication.

Chair Supple inquired about timeline for Economic Development Manager hiring. Executive Director Poehlman stated the hope is for the job posting to occur in early 2023.

ITEM #7	CLAIMS
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M/Regan Gonzalez, S/Vrieze Daniels that the following claims be approved:

<u>U.S. BANK</u>	<u>11/21/2022</u>
Section 8 Checks: 134278 – 13439	\$196,833.03
HRA Checks: 34273 - 34284	<u>\$46,902.12</u>
TOTAL	\$243,735.15

Motion carried: 5-0

ITEM #8	ADJOURNMENT
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Chair Supple thanked Commissioner Regan Gonzalez for her service on the HRA and the Economic Development Authority.

The meeting was adjourned by unanimous consent at 7:46 p.m.

Date Approved: December 19, 2022

Mary B. Supple
HRA Chair

LaTonia DuBois
Administrative Assistant

Melissa Poehlman
Executive Director



STAFF REPORT NO.36
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
12/19/2022

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

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Executive Director
12/15/2022

ITEM FOR COUNCIL CONSIDERATION:

Consider a resolution providing preliminary approval for the issuance of \$10 million in revenue bonds for the benefit of the Upper Post Flats housing development.

EXECUTIVE SUMMARY:

The Upper Post Flats housing development is an extensive redevelopment and historic preservation project of 26 buildings within Historic Fort Snelling. The development includes approximately 190 units ranging from studios to five-bedroom units and will house hundreds of residents; likely adding more than 200 students to the Richfield School District.

Dominium, dba Fort Snelling Leased Housing Associates I, LLLP, (Developer) has approached the City to request the issuance of \$10 million in Conduit Bonds (Bonds) to help manage increased costs of the project. The issuance of these Bonds would not impact the City's ability to issue their own bank-qualified bonds and would not impact the City or Housing and Redevelopment Authority (HRA) financially. It does; however, offer the HRA the opportunity to influence the project. HRA staff have worked with the Developer on the following stipulations:

- Increased affordability: Either 80-100 units at 50% Area Median Income (AMI) or 40-55 units at 40% AMI for a period of 25 years;
- Acceptance of Richfield Kids @ Home families;
- Preference for Richfield Section 8 Voucher-Holders (dependent on service area determination); and
- 1.5% upfront fee

This initial request to the HRA would authorize the City's Bond Counsel to request a housing allocation from Minnesota Management and Budget. Additional approvals outside of the City/HRA's authority are required. If the Developer obtains housing allocation, a public hearing will need to be held prior to the actual issuance of the Bonds.

RECOMMENDED ACTION:

By motion: Approve the attached resolution providing approval for the issuance of revenue obligations for the benefit of Fort Snelling Leased Housing Associates I, LLLP and taking other actions related thereto.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- The buildings that comprise Historic Fort Snelling were constructed in the late 1800s and early 1900s. The structures had been largely empty since the early 1970s and were in a significant

state of disrepair.

- The property is owned by the Minnesota Department of Natural Resources and is considered Unorganized Territory, outside any particular city's jurisdiction. The area is within the Richfield School District boundary, however.
- In 2015, the Developer was selected to restore the property. An extensive list of approvals have been granted and significant funds allocated to the project.
- Current funding sets affordability requirements at 60% AMI.

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

- Prior to the issuance of the Bonds, the HRA must conduct a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended.

C. CRITICAL TIMING ISSUES:

- The Developer must request housing allocation from Minnesota Management and Budget by the end of the year. Authorization by the HRA to do so is required.

D. FINANCIAL IMPACT:

- Issuance of Bonds will not directly impact the City or HRA financially. The principal and interest on the Bonds will be paid by the project and does not constitute a debt to the City or HRA.
- The Developer will pay all costs associated with the request as well as a 1.5% fee (approximately \$135,000) to the HRA.

E. LEGAL CONSIDERATION:

- Kennedy & Graven will serve as the Bond Counsel for the issuance.

ALTERNATIVE RECOMMENDATION(S):

Decide not to grant preliminary approval for the issuance of \$10 million in Bonds for the benefit of the Upper Post Flats housing development.

PRINCIPAL PARTIES EXPECTED AT MEETING:

Owen Metz, Dominion; and Julie Eddington, HRA Attorney

ATTACHMENTS:

Description	Type
□ Resolution	Resolution Letter
□ Map	Exhibit

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

RESOLUTION NO. _____

**PROVIDING PRELIMINARY APPROVAL FOR THE ISSUANCE OF REVENUE
OBLIGATIONS FOR THE BENEFIT OF FORT SNELLING LEASED HOUSING
ASSOCIATES I, LLLP AND TAKING OTHER ACTIONS RELATED THERETO**

Section 1. Background.

1.01. Pursuant to Minnesota Statutes, Chapter 462C, as amended (the "Housing Act"), the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the "Authority") is authorized to carry out the public purposes described in the Housing Act by providing for the issuance of revenue bonds to provide funds to finance multifamily housing developments.

1.02. Minnesota Statutes, Section 471.656, as amended, authorizes a municipality to issue obligations to finance the acquisition or improvement of property located outside of the corporate boundaries of such municipality if the obligations are issued under a joint powers agreement between the municipality issuing the obligations and the municipality in which the property to be acquired or improved is located.

1.03. Pursuant to Minnesota Statutes, Section 471.59, as amended, by the terms of a joint powers agreement entered into through action of their governing bodies, two or more municipalities may jointly or cooperatively exercise any power common to the contracting parties or any similar powers, including those which are the same except for the territorial limits within which they may be exercised and the joint powers agreement may provide for the exercise of such powers by one or more of the participating governmental units on behalf of the other participating units.

1.04. Fort Snelling Leased Housing Associates I, LLLP, a Minnesota limited liability limited partnership, or an affiliate, successor, or assign (collectively, the "Borrower"), has proposed that the Authority issue one or more series of tax-exempt revenue obligations in the approximate maximum principal amount of \$10,000,000 and one or more series of taxable revenue obligations in the approximate maximum principal amount to be determined (collectively, the "Bonds") for the benefit of the Borrower for the purposes of financing all or a portion of (i) the costs of the leasehold acquisition, rehabilitation and/or construction, and equipping of an approximately 191-unit multifamily housing rental facility and facilities functionally related and subordinate thereto located at 58 Taylor Avenue, Unorganized Territory of Fort Snelling, Minnesota 55111 known as the Fort Snelling Upper Post Project for occupancy by individuals and families of low and moderate income (the "Project"); (ii) any required reserves; (iii) capitalized interest during the construction of the Project, if necessary; and (iv) the costs of issuing the Bonds.

1.05. Pursuant to Section 146 of the Code, any Bonds issued on a tax-exempt basis (the "Tax-Exempt Bonds") must receive an allocation of bonding authority of the State of Minnesota. An application for such an allocation must be made pursuant to the requirements of Minnesota Statutes, Chapter 474A, as amended (the "Allocation Act"). The Board of Commissioners of the Authority (the "Board") must grant preliminary approval to the issuance of

the Bonds to finance the costs of the Project and authorize the submission of an application to the office of Minnesota Management and Budget for an allocation of bonding authority with respect to the Tax-Exempt Bonds to finance the costs of the Project.

1.06. As a condition to the issuance of the Bonds, the Authority must adopt a housing program providing the information required by Section 462C.03, subdivision 1a of the Housing Act (the "Housing Program").

1.07. Under Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), prior to the issuance of the Bonds, the Board must conduct a public hearing after one publication of notice in a newspaper circulating generally in the City of Richfield, Minnesota (the "City") at least seven (7) days before the hearing. Under Section 462C.04, subdivision 2 of the Housing Act, a public hearing must be held on the Housing Program after one publication of notice in a newspaper circulating generally in the City at least fifteen (15) days before the hearing.

Section 2. Preliminary Findings.

2.01. Based on representations made by the Borrower to the Authority to date, the Board hereby makes the following preliminary findings, determinations, and declarations:

(a) The Project consists of a multifamily rental housing development designed and intended to be used for rental occupancy.

(b) The proceeds of the Bonds will be loaned to the Borrower and the proceeds thereof, along with other available funds, will be used to finance all or a portion of the costs of the Project, any required reserve funds, capitalized interest during the construction of the Project, and costs of issuance of the Bonds. The Authority will enter into a loan agreement (or other revenue agreement) with the Borrower requiring loan repayments from the Borrower in amounts sufficient to repay the loan of the proceeds of the Bonds when due and requiring the Borrower to pay all costs of maintaining and insuring the Project, including taxes thereon.

(c) In preliminarily authorizing the issuance of the Bonds and the financing of the costs of the Project and related costs, the Authority's purpose is to further the policies of the Housing Act.

(d) The Bonds will be special, limited obligations of the Authority payable solely from the revenues pledged to the payment thereof, will not be general or moral obligations of the Authority or the City, and will not be secured by or payable from revenues derived from any exercise of the taxing powers of the Authority or the City.

Section 3. Application for Allocation. The Board hereby authorizes the submission of an application for allocation of bonding authority for the Tax-Exempt Bonds pursuant to Section 146 of the Code and the Allocation Act in accordance with the requirements of the Allocation Act. Authority staff and Kennedy & Graven, Chartered, as bond counsel to the Authority ("Bond Counsel"), shall take all actions, in cooperation with the Borrower, as are necessary to submit an application for an allocation of bonding authority to the office of Minnesota Management and Budget.

Section 4. Housing Program. Bond Counsel shall prepare and submit to the Authority a draft Housing Program to authorize the issuance by the Authority of the Bonds to finance all or portion of the costs of the Project by the Borrower. Bond Counsel is authorized and directed to submit, on behalf of the Authority, the Housing Program to Metropolitan Council for review and comment pursuant to Section 462C.04, subdivision 2 of the Housing Act.

Section 5. Public Hearing. The Board shall meet at a future date to be determined by Authority staff to conduct a public hearing on the Housing Program, the Project, and the issuance of the Bonds by the Authority. Notice of such hearing (the "Public Notice") will be published as required by Section 462C.04, subdivision 2 of the Housing Act and Section 147(f) of the Code. Bond Counsel is hereby authorized and directed to publish the Public Notice, in substantially the form attached hereto as EXHIBIT A, in the *Sun Current*, a newspaper of general circulation in the City. At the public hearing reasonable opportunity will be provided for interested individuals to express their views, both orally and in writing, on the Project, the Housing Program, and the proposed issuance of the Bonds.

Section 6. Preliminary Approval.

6.01. The Board hereby provides preliminary approval to the issuance of the Bonds, subject to: (i) a public hearing by the Board as required by the Housing Act and Section 147(f) of the Code; (ii) a public hearing by the City Council of the City as required by Section 147(f) of the Code; (iii) host approval by Hennepin County, Minnesota, or another political subdivision of the State of Minnesota authorized to provide such host approval, in accordance with Minnesota Statutes, Sections 471.59 and 471.656, as amended; (iv) final approval of the issuance of the Bonds in the total principal amount to be determined following the preparation of bond documents, provided, however, that the approximate principal amount of the Tax-Exempt Bonds may not exceed \$10,000,000; (v) receipt of an allocation of bonding authority for the Tax-Exempt Bonds from the office of Minnesota Management and Budget; and (vi) final determination by the Board that the financing of the costs of the Project and the issuance of the Bonds are in the best interests of the City.

6.02. In addition to the conditions set forth in Section 6.01 hereof, final approval of the Bonds by the Board is contingent upon the following conditions being met or agreed to by the Borrower: (i) for a period of at least twenty-five (25) years, at least 80 to 100 units of the Project being available to individuals or families with incomes at or below fifty percent (50%) of the area median income or at least 40 to 55 units of the Project being available to individuals or families with incomes at or below forty percent (40%) of the area median income; (ii) preference for rental being given to Section 8 voucher holders from the City if the area of the Project is classified as a Richfield service area; (iii) acceptance of Kids @ Home families; and (iv) payment by the Borrower of an upfront fee of one and one-half percent (1.5%) plus consultant fees, along with the Authority's administrative fee for the issuance of the Bonds.

Section 7. Reimbursement of Costs under the Code.

7.01. The United States Department of the Treasury has promulgated regulations governing the use of the proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse the Authority or the Borrower for project expenditures paid prior to the date of issuance of such bonds. Those regulations (Treasury Regulations, Section 1.150-2) (the "Regulations") require that the Authority adopt a statement of official intent to reimburse an original expenditure not later than sixty (60) days after payment of the original expenditure. The Regulations also generally require that the bonds be issued and the reimbursement allocation

made from the proceeds of the bonds occur within eighteen (18) months after the later of: (i) the date the expenditure is paid; or (ii) the date the project is placed in service or abandoned, but in no event more than three (3) years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the Bonds.

7.02. To the extent any portion of the proceeds of the Bonds will be applied to expenditures with respect to the costs of the Project, the Authority reasonably expects to reimburse the Borrower for the expenditures made for the costs of the Project from the proceeds of the Bonds after the date of payment of all or a portion of such expenditures. All reimbursed expenditures shall be capital expenditures, costs of issuance of the Bonds, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations and also qualifying expenditures under the Housing Act.

Based on representations by the Borrower, other than (i) expenditures to be paid or reimbursed from sources other than the Bonds, (ii) expenditures permitted to be reimbursed under prior regulations pursuant to the transitional provision contained in Section 1.150-2(j)(2)(i)(B) of the Regulations, (iii) expenditures constituting preliminary expenditures within the meaning of Section 1.150-2(f)(2) of the Regulations, or (iv) expenditures in a "de minimis" amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures with respect to the Project to be reimbursed with the proceeds of the Bonds have been made by the Borrower more than sixty (60) days before the date of adoption of this resolution of the Authority.

7.03. Based on representations by the Borrower, as of the date hereof, there are no funds of the Borrower reserved, allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside) to provide permanent financing for the expenditures related to the remaining costs of the Project to be financed from proceeds of the Bonds, other than pursuant to the issuance of the Bonds. This resolution, therefore, is determined to be consistent with the budgetary and financial circumstances of the Borrower as they exist or are reasonably foreseeable on the date hereof.

Section 8. Costs. The Borrower will pay the administrative fees of the Authority and pay, or, upon demand, reimburse the Authority for payment of, any and all costs incurred by the Authority in connection with the Project and the issuance of the Bonds, whether or not the Bonds are issued.

Section 9. Commitment Conditional. The adoption of this resolution does not constitute a guarantee or a firm commitment that the Authority will issue the Bonds as requested by the Borrower. If, as a result of information made available to or obtained by the Authority during its review of the Project, it appears that the Project or the issuance of Bonds to finance the remaining costs thereof is not in the public interest or is inconsistent with the purposes of the Housing Act, the Authority reserves the right to decline to give final approval to the issuance of the Bonds. The Authority also retains the right, in its sole discretion, to withdraw from participation and accordingly not issue the Bonds should the Board, at any time prior to the issuance thereof, determine that it is in the best interests of the Authority not to issue the Bonds or should the parties to the transaction be unable to reach agreement as to the terms and conditions of any of the documents for the transaction.

Section 10. Effective Date. This resolution shall be in full force and effect from and after its passage.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield,
Minnesota this 19th day of December, 2022.

Mary B. Supple, Chair

ATTEST:

Maria Regan Gonzalez, Secretary

EXHIBIT A

NOTICE OF PUBLIC HEARING

CITY OF RICHFIELD, MINNESOTA

NOTICE OF PUBLIC HEARING ON THE APPROVAL OF A HOUSING PROGRAM FOR A MULTIFAMILY HOUSING DEVELOPMENT AND THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS UNDER MINNESOTA STATUTES, CHAPTERS 462C AND 474A, AS AMENDED, FOR THE BENEFIT OF FORT SNELLING LEASED HOUSING ASSOCIATES I, LLLP

NOTICE IS HEREBY GIVEN that the Board of Commissioners (the "Board") of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the "Authority"), will hold a public hearing on _____, _____, 2023, at or after _____ p.m. at the Richfield Municipal Center, located at 6700 Portland Avenue, Richfield, Minnesota, to consider a proposal that the Authority approve and authorize the issuance of one or more series of taxable or tax-exempt revenue bonds (the "Bonds") in the approximate principal amount not to exceed \$10,000,000, pursuant to Minnesota Statutes, Chapters 462C and 474A, as amended (the "Act"), and Minnesota Statutes, Sections 471.59 and 471.656, as amended, for the purposes of financing all or a portion of (i) the costs of the [leasehold] acquisition, rehabilitation and/or construction, and equipping of an approximately _____-unit multifamily housing rental facility and facilities functionally related and subordinate thereto located at 58 Taylor Avenue, Unorganized Territory of Fort Snelling, Minnesota 55111 known as the Fort Snelling Upper Post Project, for occupancy by individuals and families of low and moderate income (the "Project"); (ii) any required reserves; (iii) capitalized interest during the construction of the Project, if necessary; and (iv) the costs of issuing the Bonds. Fort Snelling Leased Housing Associates I, LLLP, a Minnesota limited liability limited partnership, or an affiliate, successor, or assign (collectively, the "Borrower"), will own and operate the Project.

Following the public hearing, the Board will consider a resolution approving a housing program prepared in accordance with the requirements of the Act and granting approval to the issuance of the Bonds.

The Bonds will be special, limited obligations of the Authority, and the Bonds and interest thereon will be payable solely from the revenues and assets pledged to the payment thereof. No holder of any Bond will have the right to compel any exercise of the taxing power of the Authority or the City of Richfield, Minnesota (the "City") to pay the Bonds or the interest thereon, nor to enforce payment against any property of the Authority or the City except money payable by the Borrower to the Authority and pledged to the payment of the Bonds. Before issuing the Bonds, the Authority will enter into an agreement with the Borrower, whereby the Borrower will be obligated to make payments at least sufficient at all times to pay the principal of and interest on the Bonds when due.

At the time and place fixed for the public hearing, the Board will give all persons who appear at the hearing an opportunity to express their views with respect to the proposal. In addition, interested persons may direct any questions or file written comments respecting the proposal with the Executive Director of the Authority, at or prior to said public hearing.

[PLEASE NOTE, due to COVID-19, the public hearing may be conducted via telephone or other electronic means as allowed under Minnesota Statutes, Section 13D.021. Please refer to the City's website at www.richfieldmn.gov or call City Hall at 612-861-9700 to learn how to attend the public hearing via telephone or electronically.]

Dated: [Date of Publication]

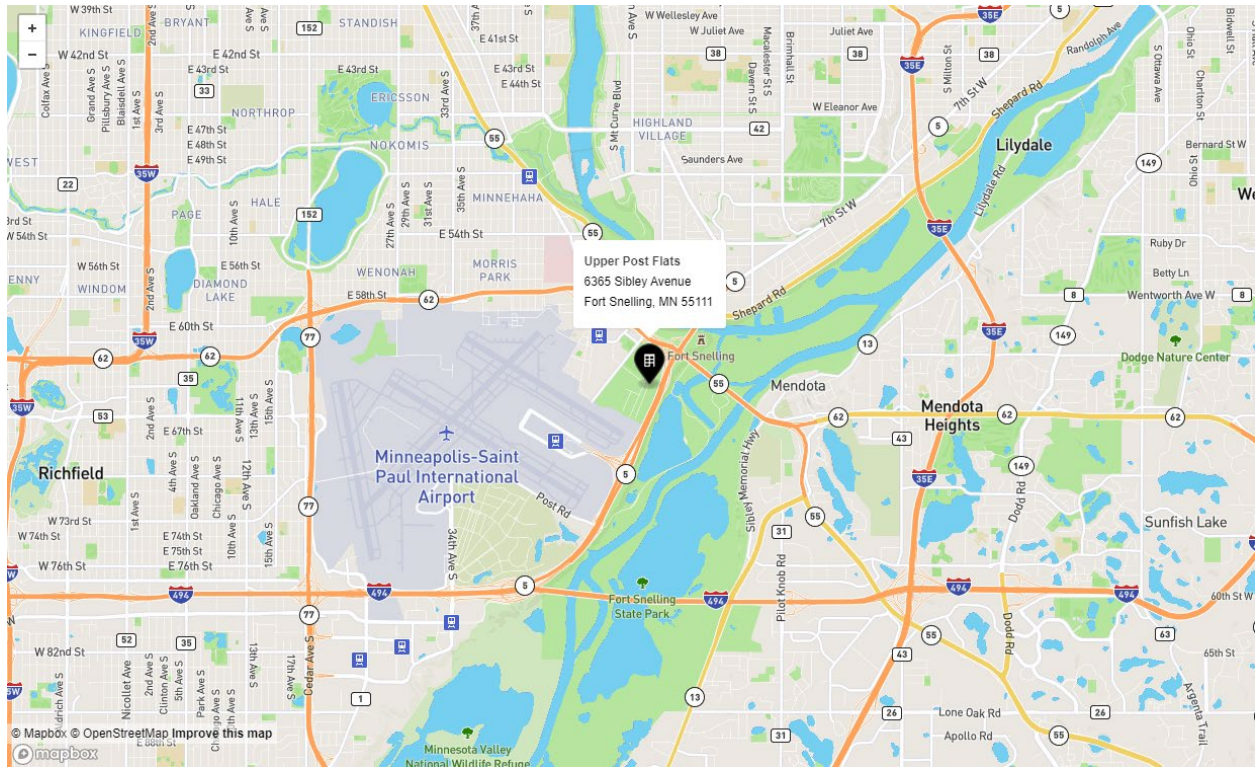
BY ORDER OF THE BOARD OF
COMMISSIONERS OF THE HOUSING AND
REDEVELOPMENT AUTHORITY IN AND FOR
THE CITY OF RICHFIELD, MINNESOTA

/s/ Melissa Poehlman

Executive Director

Housing and Redevelopment Authority in and for
the City of Richfield, Minnesota

Upper Post Flats





Chair and Members

via email

Richfield Housing and Redevelopment Authority
City Hall
Richfield, Minnesota

Re: Additional Housing Conduit/Revenue Bonds for the Fort Snelling Upper Post Project

Dear Members of the HRA:

As you know, the Minnesota Department of Natural Resources ("MDNR") and Fort Snelling Leased Housing Associates I, LLLP (a project specific entity of Dominion Apartments, herein "FSLH") have entered into a 99-year land lease (the "Lease") for the Fort Snelling Upper Post housing project (the "Project"). The Project will provide over 190 units of housing affordable at 60% of median income with a veteran's preference in marketing and will accomplish the "certified rehabilitation" of the Upper Post, a National Landmark.

Because of construction cost increases and the initial bonding limit, ultimately three buildings were omitted due to insufficient funds and "mothballed" for future renovation. The DNR Lease provides for these buildings to be rehabilitated by FSLH if additional funding is found.

Richfield's willingness to be the issuer of additional bonds for the Project would allow completion of the three mothballed buildings *and* would provide sufficient funds to allow some units at lower rents than the current 60% rents. In connection with your consideration, MDNR provides the following comments:

- FSLH is nearing completion of the initial group of over 20 buildings and has fully performed its obligations under the Lease and other regulatory approvals satisfactorily.
- The additional bonds would allow completion of those three mothballed buildings, and, by providing additional Low Income Tax Credit investment, consistent with our lease and the intended use of the site.

The MDNR is supportive of the Richfield HRA acting as the issuer for additional Housing Revenue Bonds for the Project to accomplish the twin goals of more affordable units and completion of the mothballed buildings.

Thank you for your consideration of FSLH's request.

Sincerely,

Larry G. Peterson

Larry Peterson
DNR Upper Post Project Manager
Larry.g.peterson@state.mn.us
651-592-4446

cc: Melissa Poehlman, Executive Director, Richfield HRA
Ann Pierce, DNR Parks and Trails Director
Sherry Enzler, DNR General Counsel

Equal Opportunity Employer



STAFF REPORT NO. 37
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
12/19/2022

REPORT PREPARED BY: Melissa Poehlman, Executive Director

OTHER DEPARTMENT REVIEW: N/A

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

ITEM FOR COUNCIL CONSIDERATION:

Consider the appointment of a temporary Secretary for the Richfield Housing and Redevelopment Authority.

EXECUTIVE SUMMARY:

The terms of Housing and Redevelopment Authority (HRA) Chairperson Mary Supple and HRA Secretary Maria Regan Gonzalez will expire concurrent with the expiration of their Council terms on January 9, 2023. Per HRA Bylaws, the Vice-Chairperson shall serve in the absence of the Chairperson. Commissioner Erin Vrieze Daniels is the current Vice-Chairperson of the HRA. There is a possibility that Commissioner Vrieze Daniels will be unavailable for the January HRA meeting, therefore staff recommends the appointment of a temporary HRA Secretary. The temporary Secretary would conduct the meeting in January, should the Vice-Chairperson be absent.

On January 10, 2023, Mayor Mary Supple and the Council will appoint two Council Members to serve on the HRA and these Council Members will be sworn in as Commissioners of the HRA as the first order of business on January 17. With a fully body of five members, the HRA Board will elect successors to serve as Chairperson and Secretary until the Annual Meeting in March.

RECOMMENDED ACTION:

By motion: Appoint a temporary Secretary for the Richfield Housing and Redevelopment Authority.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- Provided in the Executive Summary.

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

- The HRA Secretary performs the duties as the Chairperson in cases where both the Chairperson and Vice-Chairperson are absent.

C. CRITICAL TIMING ISSUES:

- The term of the current Secretary will expire on January 9, 2023. It is possible that the Vice-Chairperson may be unavailable to conduct the January 17 meeting.

D. FINANCIAL IMPACT:

- N/A

E. LEGAL CONSIDERATION:

- The HRA Attorney has provided input on the matter.

ALTERNATIVE RECOMMENDATION(S):

- None

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A