



**REGULAR HOUSING AND REDEVELOPMENT AUTHORITY MEETING
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS
JANUARY 17, 2017
7:00 P.M.**

Call to order

1. Oath of Office for Richfield HRA Commissioner, Michael Howard.
2. Consideration of the election of the Richfield HRA officers for 2017

Staff Report No. 1

3. Approval of the minutes of the Regular HRA Meeting of December 19, 2016
4. HRA approval of the agenda
5. **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 the approval of designating the Community Development Director as the Acting Executive Director of the HRA for 2017 in the event the Executive Director is absent from the City.

Staff Report No. 2

- B. Consideration of the approval of resolutions designating official depositories for the Housing and Redevelopment Authority for 2017, including the approval of collateral.

Staff Report No. 3

- C. Consideration of the approval of a Consultant Services Agreement with the Greater Metropolitan Housing Corporation for 2017.

Staff Report No. 4

- D. Consideration of the approval of a Consulting Agreement with the Center for Energy and Environment for the Residential Energy Program.

Staff Report No. 5

- E. Consideration of the approval of a revised fee schedule for Housing and Redevelopment Authority housing programs.

Staff Report No. 6

6. Consideration of an amendment to the Preliminary Development Contract with Cedar PT II LLC.

Staff Report No. 7

7. Consideration of an appeal of a denial of the sale of a Richfield Rediscovered lot at 6345 Bloomington Avenue to T-Square Repair and Remodeling.

Staff Report No. 8

8. HRA discussion items
) Additional Information Regarding Southdale Library Redevelopment
9. Executive Director report
10. Claims and payroll

Adjournment

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



STAFF REPORT No. 1

HOUSING AND REDEVELOPMENT AUTHORITY MEETING JANUARY 17, 2017

REPORT PREPARED BY:

JARED VOTO, EXECUTIVE AIDE/ANALYST

NAME, TITLE

REPORT PRESENTER:

STEVEN L. DEVICH, EXECUTIVE DIRECTOR

NAME, TITLE

DEPARTMENT DIRECTOR REVIEW:

☐

N/A

REVIEWED BY EXECUTIVE DIRECTOR:

☐

SIGNATURE

A handwritten signature in black ink, appearing to read "Steven L. Devich", is written over a horizontal line.

ITEM FOR HRA CONSIDERATION:

Consideration of the election of officers for the Richfield HRA for 2017.

I. RECOMMENDED ACTION:

By Motion: Elect officers for the Richfield HRA for 2017.

II. EXECUTIVE SUMMARY

The bylaws of the Richfield HRA provide that the HRA hold an annual meeting in January. The bylaws further provide that the Chair, Vice Chair, and Secretary of the HRA be elected at this meeting.

Officers for 2016 were:

Mary Supple, Chair
Pat Elliott, Vice Chair
Doris Rubenstein, Secretary

III. BASIS OF RECOMMENDATION

A. BACKGROUND

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

B. POLICY

-) The HRA bylaws provide that the HRA hold an annual meeting in January.
-) The HRA bylaws provide that the Chair, Vice Chair, and Secretary be elected at the annual meeting in January.

C. CRITICAL TIMING ISSUES

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

D. FINANCIAL

-) N/A

E. LEGAL

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

IV. ALTERNATIVE RECOMMENDATION(S)

-) The HRA could decide to not hold an election. However, this would be contrary to HRA bylaws.

V. ATTACHMENTS

-) None.

VI. PRINCIPAL PARTIES EXPECTED AT MEETING

-) N/A



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Regular Meeting

December 19, 2016

CALL TO ORDER

The meeting was called to order by Chair Supple at 7:00PM.

ATTENDANCE

HRA Members
Present:

Mary Supple, Chair; Pat Elliott; Debbie Goettel; David Gepner; and
Doris Rubenstein

Staff Present:

Steve Devich, Executive Director; and Karen Barton, Acting
Community Development Director

Item #1

APPROVAL OF THE MINUTES OF THE REGULAR HRA MEETING OF NOVEMBER 21, 2016

M/Elliott, S/Gepner to approve the minutes of the Regular HRA Meeting of November 21, 2016.

Motion carried 5-0.

Item #2

HRA APPROVAL OF THE AGENDA

M/Goettel, S/Rubenstein to approve the agenda.

Motion carried 5-0.

Item #3

CONSENT CALENDAR

- A. Consideration of a resolution authorizing the use of an Affordable Housing Initiative Fund loan for the acquisition of 7227 Chicago Avenue by the West Hennepin Affordable Housing Land Trust.

HRA RESOLUTION NO. 1242

RESOLUTION AUTHORIZING THE USE OF AN AFFORDABLE
HOUSING INCENTIVE FUND LOAN FOR THE
PURCHASE OF 7227 CHICAGO AVENUE

This resolution appears as HRA Resolution No. 1242.

- B. Consideration of a resolution authorizing execution of an agreement with the Greater Metropolitan Housing Corporation for the acquisition, rehabilitation and sale of houses under the New Home Program utilizing 2016 Community Development Block Grant funds.

HRA RESOLUTION NO. 1243

RESOLUTION APPROVING DEVELOPMENT AGREEMENT
WITH GREATER METROPOLITAN HOUSING CORPORATION

This resolution appears as HRA Resolution No. 1243.

- C. Consideration of a resolution authorizing the purchase of real property located at 6625 2nd Avenue through the Richfield Rediscovered Program.

HRA RESOLUTION NO. 1244

RESOLUTION AUTHORIZING PURCHASE OF REAL PROPERTY
LOCATED AT 6625 2ND AVENUE

This resolution appears as HRA Resolution No. 1244.

M/Goettel, S/Elliott to approve the Consent Calendar.

Motion carried 5-0.

Item #4	HRA DISCUSSION ITEMS
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Commissioner Elliott commented on the front facades of the Sheridan Villa Townhomes and how well they look and he asked about the marketing of the townhomes and how they are being sold. Acting Community Development Director, Karen Barton, stated that there has been a lot of intent but the units cannot be shown until the certificate of occupancy is granted.

Commissioner Goettel stated that this is her last HRA meeting and thanked everyone for their service. Chair Supple thanked Commissioner Goettel for her service also.

Chair Supple mentioned an upcoming open house for the Southdale Library Community Task Force and that they are in need for representatives. Commissioner Rubenstein stated that the open house is not for input but merely a reaction to a plan. Commissioner Rubenstein also stated that Edina is taking an aggressive lead on the project, but all of Hennepin County should be notified. There was discussion regarding the involvement of Richfield and the concern about the development and density on the site.

Chair Supple asked about the status of Cedar Point II. Acting Community Development Director, Karen Barton, stated they are in the process of developing the contract with the developer and anticipate on bringing this before the HRA in January. Barton also stated that we got formal approval from the Met Council of an award of \$1,350,000 for the construction of Richfield Parkway.

Item #5	EXECUTIVE DIRECTOR REPORT
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None.

Item #6	CLAIMS AND PAYROLL
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M/Goettel, S/Elliott, that the following claims and payroll be approved:

U.S. BANK	12/16/16
Section 8 Checks: 128267 – 128355	\$ 167,331.71
HRA Checks: 32908 – 32938	615,494.82
TOTAL	\$ 782,826.53

Commissioner Rubenstein had a question regarding a half-million dollars for Lyndale Gardens. Acting Community Development Director, Karen Barton, stated that the money was used for the construction of the shoreline improvements at Lyndale Gardens and the money will be reimbursed by Met Council.

Motion carried 5-0.

ADJOURNMENT

The meeting was adjourned by unanimous consent at 7:18 p.m.

Date Approved: January 17, 2017

Mary B. Supple
HRA Chair

Karen Barton
Acting City Clerk

Steven L. Devich
Executive Director



STAFF REPORT No. 2

HOUSING AND REDEVELOPMENT AUTHORITY MEETING JANUARY 17, 2017

REPORT PREPARED BY:

KARI SINNING, DEPUTY CITY CLERK

NAME, TITLE

REPORT PRESENTER:

STEVEN L. DEVICH, EXECUTIVE DIRECTOR

NAME, TITLE

DEPARTMENT DIRECTOR REVIEW:

☐

N/A

REVIEWED BY EXECUTIVE DIRECTOR:

☒

Signature

ITEM FOR HRA CONSIDERATION:

Consideration of designating the Community Development Director as the Acting Executive Director of the HRA for 2017 in the event the Executive Director is absent from the City.

I. RECOMMENDED ACTION:

By Motion: Designate the Community Development Director as the Acting Executive Director of the HRA in the event the Executive Director is absent from the City.

II. EXECUTIVE SUMMARY

Since the City Manager also serves as the HRA Executive Director, it is recommended that the Community Development Director be designated by the HRA as the Acting Executive Director to serve in that capacity during the absence of the Executive Director.

III. BASIS OF RECOMMENDATION

A. BACKGROUND

) Past practice has been for the HRA to designate an Acting Executive Director for times when the Executive Director is absent from the City.

B. POLICY

) Typically, this designation is made at the first meeting in January of each year.

C. CRITICAL TIMING ISSUES

) It is necessary to designate a person to serve as Acting Executive Director to ensure continuation of HRA operations during an absence of the Executive Director.

D. FINANCIAL

) This designation is at no additional cost to the HRA.

E. LEGAL

) N/A

IV. ALTERNATIVE RECOMMENDATION(S)

) The HRA could defer this designation to a future HRA meeting.

V. ATTACHMENTS

) None

VI. PRINCIPAL PARTIES EXPECTED AT MEETING

) None



STAFF REPORT NO. 3

HOUSING AND REDEVELOPMENT AUTHORITY MEETING JANUARY 17, 2017

REPORT PREPARED BY:

CHRIS REGIS, FINANCE MANAGER

NAME, TITLE

REPORT PRESENTER:

STEVEN L. DEVICH, EXECUTIVE DIRECTOR

NAME, TITLE

DEPARTMENT DIRECTOR REVIEW:

☐

N/A

REVIEWED BY EXECUTIVE DIRECTOR:

☒

SIGNATURE

A handwritten signature in black ink, appearing to read "Steven L. Devich", written over a horizontal line.

ITEM FOR HRA CONSIDERATION:

Consideration of resolutions designating official depositories for the Housing and Redevelopment Authority for 2017, including the approval of collateral.

I. RECOMMENDED ACTION:

By Motion: Adopt the attached resolutions designating official depositories, with the understanding that the HRA could not invest in any of the depositories beyond the level of insurance coverage of the pledged collateral.

II. EXECUTIVE SUMMARY

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

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

III. BASIS OF RECOMMENDATION

A. BACKGROUND

) N/A

B. POLICY

-) In accordance with Minnesota Statutes Section 118A.01 - 118A.06, the HRA of Richfield must designate financial institutions annually. The institutions must pledge the collateral over and above the amount of federal insurance, as public depositories.
-) U.S. Bank acts as the banking institution in the HRA's banking arrangement with the 4M Fund. Monies received, checks written, by the HRA, flow through U.S. Bank, however, at the end of each business day, any proceeds remaining in HRA U.S. Bank accounts are swept to the 4M Fund to be invested. Therefore, at the end of the business day the HRA accounts are zero, which means the collateral requirements of Minnesota Statutes Section 118A.03 are not required. Accordingly, U.S. Bank has met all other statutory requirements and should be considered as a depository for the HRA's vendor accounts and all savings deposits.
-) The HRA must also designate annually, certain savings and loan associations, banks, and credit unions as official depositories for deposit and investment of certain HRA funds. With approval of these official depositories, the HRA will be able to invest funds in these institutions, not exceeding the federal insurance of \$250,000.
-) Finally, a designation must be made for certain financial institutions as depositories for the investment of HRA funds for 2017. These institutions, such as investment brokerage firms, offer government securities in the manner required by law. These financial institutions include U.S. Bank Institutional Sales, RBC Capital Markets, Raymond James & Associates, Northland Securities, Oppenheimer & Co., and the 4M Fund.

C. CRITICAL TIMING ISSUES

) N/A

D. FINANCIAL

) N/A

E. LEGAL

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

IV. ALTERNATIVE RECOMMENDATION(S)

-) The HRA could solicit other financial institutions for official depositories, but past relationships with the depositories recommended have proven satisfactory for the City.

V. ATTACHMENTS

-) Resolution designating US Bank a depository of funds of the HRA of Richfield for the year 2017.
-) Resolution designating certain savings and loan associations, banks, and credit unions as depositories for the investment of HRA funds in 2017.
-) Resolution designating certain financial institutions as depositories for the investment of HRA of Richfield funds in 2017.

VI. PRINCIPAL PARTIES EXPECTED AT MEETING

-) None

RESOLUTION NO.

**RESOLUTION DESIGNATING U.S. BANK
A DEPOSITORY OF FUNDS OF THE HRA OF RICHFIELD
FOR THE YEAR 2017**

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

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

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

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

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

MARY SUPPLE, CHAIR
STEVEN L. DEVICH, EXECUTIVE DIRECTOR

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

Adopted by the Housing and Redevelopment Authority of Richfield, Minnesota this 17th day of January, 2017.

Mary Supple, Chair

ATTEST:

Doris Rubenstein, Secretary

RESOLUTION NO.

RESOLUTION DESIGNATING CERTAIN SAVING AND LOAN ASSOCIATIONS, BANKS AND CREDIT UNIONS AS DEPOSITORIES FOR THE INVESTMENT OF HOUSING AND REDEVELOPMENT AUTHORITY OF RICHFIELD FUNDS IN 2017

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

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

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

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

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

1. It is hereby found and determined that it is in the best interest of the proper management of Housing and Redevelopment Authority funds that certain Savings and Loan Association and Banks be designated as additional depositories for Housing and Redevelopment Authority funds for 2017.
2. It is further found and determined that the purpose of such depository designation is to facilitate the proper and advantageous investments of Housing and Redevelopment Authority funds and that such designation is not exclusive nor does it preclude the deposit of any Housing and Redevelopment Authority funds in other officially designated depositories of the Housing and Redevelopment Authority.
3. The Treasurer and Finance Manager are hereby authorized to deposit Housing and Redevelopment Authority funds in various depositories up to the amount of \$250,000, or such other amount as may be subsequently permitted by law, such deposits to be in the form of demand accounts, payable to the Housing and Redevelopment Authority of Richfield on the signatures of the Housing and Redevelopment Authority Treasurer or Finance Manager. Such deposits may be made and withdrawn from time to time by the Treasurer or Finance Manager as his best judgment and the interests of the Housing and Redevelopment Authority dictates.
4. The investment of funds and the reporting thereof pursuant to this resolution shall be conducted in accordance with established policies of the Housing and Redevelopment Authority regarding the investment of Housing and Redevelopment Authority funds.

Adopted by the Housing and Redevelopment Authority of Richfield, Minnesota this 17th day of January, 2017.

Mary Supple, Chair

ATTEST:

Doris Rubenstein, Secretary

RESOLUTION NO.

RESOLUTION DESIGNATING CERTAIN FINANCIAL INSTITUTIONS AS DEPOSITORIES FOR THE INVESTMENT OF HOUSING AND REDEVELOPMENT AUTHORITY OF RICHFIELD FUNDS IN 2017

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

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

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

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

1. It is hereby found and determined that it is in the best interest of the proper management of Housing and Redevelopment Authority of Richfield funds that certain financial institutions be designated as additional depositories for Housing and Redevelopment Authority of Richfield funds for 2017.
2. The following financial institutions designated as depositories for the Housing and Redevelopment Authority of Richfield funds:

RBC Capital Markets.
4M Fund
US Bank Institutional Sales
Northland Securities, Inc.

Raymond James & Assoc.
U.S. Bank
Oppenheimer & Co.

3. The Treasurer and Finance Manager are hereby authorized to deposit the Housing and Redevelopment Authority of Richfield funds in any or all of the depositories herein designated. Such deposits may be made and withdrawn from time to time by the Treasurer or Finance Manager's judgment and as the interest of the Housing and Redevelopment Authority of Richfield dictates.
4. The investment of funds and the reporting thereof pursuant to this resolution shall be conducted in accordance with established policies regarding the investment of these funds.

Adopted by the Housing and Redevelopment Authority of Richfield, Minnesota this 17th day of January, 2017.

ATTEST:

Mary Supple, Chair

Doris Rubenstein, Secretary



STAFF REPORT No. 4

HOUSING AND REDEVELOPMENT AUTHORITY MEETING JANUARY 17, 2017

REPORT PREPARED BY:

JULIE URBAN, HOUSING SPECIALIST

NAME, TITLE

REPORT PRESENTER:

KAREN BARTON, ASSISTANT COMMUNITY
DEVELOPMENT DIRECTOR

NAME, TITLE

DEPARTMENT DIRECTOR REVIEW:



[Signature]

SIGNATURE

REVIEWED BY EXECUTIVE DIRECTOR:



[Signature]

ITEM FOR HRA CONSIDERATION:

Consideration of a Consultant Services Agreement with the Greater Metropolitan Housing Corporation for 2017.

I. RECOMMENDED ACTION:

By Motion: Authorize a Consultant Services Agreement with the Greater Metropolitan Housing Corporation for 2017.

II. EXECUTIVE SUMMARY

The Greater Metropolitan Housing Corporation (GMHC) specializes in a variety of housing programs, services and financing options for homeowners. The partnership with the Richfield Housing and Redevelopment Authority (HRA) began in 2004 and provides GMHC's services to Richfield residents at no cost to the resident.

Services offered include, but are not limited to:

-) Home buyer information;
-) Loan services (including Minnesota Housing Finance Agency loans);
-) Construction consultations;
-) Energy assistance;
-) Mortgage foreclosure prevention;

-) Home improvement information; and
-) Assistance with rental and emergency housing issues.

The cost of their services for 2017 will be \$10,000. This is a \$3,000 increase from 2016 due to an increase in the number of remodeling advising visits for the City.

III. BASIS OF RECOMMENDATION

A. BACKGROUND

-) Through December 2016 GMHC provided 143 services to 121 Richfield residents through its Southside Housing Resource Center (HRC) (see Richfield Summary Status Report Monthly Tracking Report – December 2016). In addition, nine Minnesota Housing Finance Agency rehabilitation loans were processed through the HRC.
-) The HRA has also successfully partnered with GMHC over the years for the construction of five new affordable homes and five townhomes through the New Home Program and the purchase and rehabilitation of eight homes through the Neighborhood Stabilization Program and one home through the Community Development Block Grant Program.
-) In 2015, GMHC again coordinated a grant proposal to Minnesota Housing on behalf of Richfield, Brooklyn Center and Crystal for an interest-rate write-down program. GMHC received funds to continue offering the program in Richfield.
-) GMHC offers Richfield homeowners comprehensive home improvement support and a variety of programs in a cost-effective manner.
-) GMHC offers their packages of programs and services in a variety of metro area communities. By partnering with GMHC for these services, Richfield will remain competitive in the metro area.

B. POLICY

-) A partnership between the HRA and GMHC ensures the availability of comprehensive rehabilitation resources and financing resources to Richfield residents. It also serves to accomplish two housing goals and several housing policies identified in the 2008 Comprehensive Plan:
 - o Goal: Maintain and enhance Richfield's image as a community with strong, desirable and livable neighborhoods.
 -) Support the rehabilitation and upgrading of the existing housing stock.
 -) Encourage the creation of "move-up" housing through new construction and home remodeling.
 -) Support ongoing maintenance and upkeep of residential properties.
 - o Goal: Ensure sufficient diversity in the housing stock to provide for a range of household sizes, income levels and needs.
 -) Encourage improvements to the housing stock to better serve families with children and seniors.

-) Promote the development, management, and maintenance of affordable housing in the City through assistance programs; alternative funding sources; and the creation of partnerships whose mission is to promote low to moderate income housing.

C. CRITICAL TIMING ISSUES

-) The previous Agreement expired on December 31, 2016.

D. FINANCIAL

-) Funds are allocated for these services in the 2017 HRA budget.
-) In a change from previous contracts, payment for services will be made monthly.

E. LEGAL

-) The Agreement has been reviewed by HRA legal counsel.

IV. ALTERNATIVE RECOMMENDATION(S)

-) Direct staff to modify the scope of services or modify the amount.
-) Do not approve the Agreement with GMHC.

V. ATTACHMENTS

-) Richfield Summary Status Report Monthly Tracking Report – December 2016
-) 2017 GMHC Consultant Services Agreement

VI. PRINCIPAL PARTIES EXPECTED AT MEETING

-) None

The Greater Metropolitan Housing Corporation
Housing Resource Center - Southside
Richfield Summary Status Report
Monthly Tracking Report - December 2016

[illegible]

CONSULTANT SERVICES AGREEMENT

THIS IS AN AGREEMENT entered into the ____ day of _____, 20__, by and between the Richfield Housing and Redevelopment Authority, (“HRA”), and **GREATER METROPOLITAN HOUSING CORPORATION**, a Minnesota non-profit corporation (“Consultant”).

RECITALS

A. The Consultant has a division called The Housing Resource Center (“HRC”). GMHC has agreed to provide certain Services through HRC (as defined below) in connection with the HRA’s housing program.

B. The HRA desires to hire the Consultant to render this technical, professional, and marketing assistance in connection with housing programs in the HRA for the term as set forth in this Agreement.

C. Consultant is willing to provide such services on the terms and conditions set forth herein.

In consideration of the foregoing recitals and following terms, conditions and mutual promises contained herein, the parties agree as follows:

1. **Scope of Services.** The Consultant shall provide services as follows (the “Services”):

- a. Administer the following home improvement programs for residents of the City of Richfield (the “City”): MHFA Fix Up Fund, Community Fix Up Fund (collectively the MHFA programs):
 1. Providing information to residents and property owners about the programs, upon request;
 2. Assist the HRA in marketing the programs;
 3. Receipt of applications from residents;
 4. Processing applications;
 5. Closing loans to qualified applicants in accordance with the applicable program;
 6. Overseeing the draw process for the funds, including, as necessary, reviewing draws, reviewing the progress of the work and collecting lien waivers and certificates of occupancy. Consultant may, for this purpose, rely on third-party representations and certifications.
 7. Provide monthly reports about the number of loans closed and the balance in each loan program.

- b. Assist City residents considering rehabilitation, including property visits, meet with homeowners and potential contractors, suggest alternatives for rehabilitation to homeowners, educate homeowners on the construction bid process, assist homeowners to evaluate bids and work completed and construction progress.
- c. Provide HRC housing information to City residents, including information on emergency assistance, housing rehabilitation, first time homebuyers and limited rental information;
- d. Assist the HRA in developing programs to purchase and rehabilitate homes;
- e. Coordinate these services out of Consultant's Minneapolis office; and
- f. Have Consultant's staff visit residences as determined necessary by Consultant.

2. **Term.** This Agreement shall be in full force and effect from January 1, 2017 and shall continue through December 31, 2017, unless otherwise terminated as set forth below.

3. **Compensation.** For services provided under this Agreement, the HRA shall pay to the Consultant Seven Thousand Dollars (\$10,000.00) annually. Following the execution of this Agreement GMHC shall invoice the City \$833.33 monthly.

The Consultant shall receive compensation for administering the MHFA Programs directly from the Minnesota Housing Finance Agency and not from the HRA. Pursuant to paragraph 1a.

4. **Termination.** Notwithstanding any other provision hereof to the contrary, this Agreement may be terminated as follows:

- a. Either party may terminate this Agreement at any time with 30 days written notice in which case the parties shall agree to the amount of fees payable to Consultant.
- b. HRA may terminate this Agreement upon the breach by Consultant of any of its material covenants contained herein, where such breach shall have continued for a period of thirty (30) days following the receipt by Consultant of a written notice from HRA, specifying the alleged breach; provided, however, if the nature of a non-monetary breach is such that Consultant cannot reasonably cure same in the thirty (30) day period, Consultant shall not be deemed to be in breach if it commences to cure within the thirty (30) day period, and diligently pursues same to completion within ninety (90) days following receipt by Consultant of such written notice. In the event of termination by HRA hereunder, Consultant shall be entitled to fees due to the date the notice of breach is sent by the HRA.
- c. If Consultant or HRA (as applicable) (i) files a voluntary petition in bankruptcy (ii) files a voluntary petition for reorganization under any bankruptcy law, statute or regulation or other similar statute or regulation, (iii) is adjudicated a bankrupt, (iv) makes an assignment for the benefit of creditors or applies for or consents to the appointment of a receiver or trustee as part of or in conjunction with a

“creditor plan” with respect to any substantial part of its assets, or (v) a receiver or trustee is appointed, or an attachment or execution levied with respect to any substantial part of its assets, and said appointment is not vacated, or the attachment or execution not released, within sixty (60) days, then this Agreement shall, effective as of such date, without notice or further action by either party, immediately terminate.

- d. Consultant may terminate this Agreement upon the breach by HRA of any of its material covenants contained herein, where such breach shall have continued for a period of thirty (30) days following the receipt by HRA of a written notice from Consultant, specifying the alleged breach; provided, however, if the nature of a non-monetary breach is such that HRA cannot reasonably cure same in the thirty (30) day period, HRA shall not be deemed to be in breach if it commences to cure within the thirty (30) day period, and diligently pursues same to completion within ninety (90) days following receipt by HRA of such written notice. In the event of termination by Consultant hereunder. Consultant shall be entitled to retain the entire fee under this Agreement.

5. **Insurance.**

- a. During the term of this Agreement, the Consultant shall obtain and maintain workers compensation, comprehensive general liability, and automobile liability insurance. Comprehensive general liability insurance shall have an aggregate limit of Two Million Dollars (\$2,000,000.00).
- b. Upon request by the HRA, the Consultant shall provide a certificate or certificates of insurance relating to the insurance required. Such insurance secured by the Contractor shall be issued by insurance companies licensed in Minnesota. The insurance specified may be in a policy or policies of insurance, primary or excess.
- c. Such insurance shall be in force on the date of execution of an Agreement and shall remain continuously in force for the duration of the Agreement.

6. **Indemnification.**

- a. Notwithstanding anything to the contrary in this Agreement, the HRA, its officers, agents, and employees shall not be liable or responsible in any manner to the Consultant, the Consultant’s successors or assigns, the Consultant’s subcontractors, or to any other person or persons for any third party claim, demand, damage, or cause of action of any kind, nature, or character, including intentional acts, arising out of or by reason of the performance of this Agreement by Consultant. The Consultant, and the Consultant’s successors or assigns, agree to protect, defend and save the HRA, and its officers, agents, and employees, harmless from all third party claims, demands, damages, and causes of action, to the extent caused by the negligence or wrongful acts of Consultant, and the costs, disbursements, and

expenses of defending the same, including but not limited to, attorneys fees, consulting services, and other technical, administrative or professional assistance.

- b. Nothing in this Agreement shall constitute a waiver or limitation of any immunity or limitation of any immunity or limitation on liability to which the HRA is entitled under Minnesota Statutes, Chapter 466, or otherwise.

7. **Assignment.** This Agreement shall not be assigned, sublet, or transferred, in whole or in part without the prior written approval of the HRA.

8. **Conflict of Interest.** The Consultant shall use best efforts to meet all professional obligations to avoid conflicts of interest and appearances of impropriety in representation of the HRA. In the event of a conflict, the Consultant, with the prior written consent of the HRA, shall arrange for suitable alternative services.

9. **Compliance with Laws.** The Consultant shall comply with all applicable Federal, State, and local laws, rules, ordinances, and regulations at all times and in the performance of the services pursuant to this Agreement.

10. **Notices.** Any notices permitted or required by this Agreement shall be deemed given when personally delivered or upon deposit in the United States mail, postage fully prepaid, certified, return receipt requested, addressed to:

Consultant:	Greater Metropolitan Housing Corporation 15 South 5 th Street, Suite 710 Minneapolis, MN 55402 ATTN: Suzanne Snyder
-------------	---

HRA:	Richfield Housing and Redevelopment Authority 6700 Portland Avenue Richfield, MN 55423
------	--

Or such other address as either party may provide to the other by notice given in accordance with this provision.

11. **Entire Agreement.** This Agreement, any attached exhibits and any addenda or amendments signed by the parties shall constitute the entire agreement between the HRA and the Consultant, and supersedes any other written or oral agreements between the HRA and the Consultant. This Agreement can only be modified in writing signed by the HRA and the Consultant.

12. **Third Party Rights.** The parties to this Agreement do not intend to confer on any third party any rights under this Agreement.

13. **Counterparts.** This Agreement may be signed in one or more counterparts but all of which taken together shall constitute one instrument.

14. **Choice of Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

15. **Agreement Not Exclusive.** The HRA retains the right to hire other housing program consultants, in the HRA's sole discretion.

16. **Data Practices Act Compliance.** Data provided to the Consultant or created by the Consultant under this Agreement shall be administered in accordance with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, as amended.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement on the respective dates indicated below.

HRA:

RICHFIELD HOUSING AND REDEVELOPMENT AUTHORITY

By: _____

Its: Chairperson

Date: _____, 20____.

By: _____

Its: Executive Director

Date: _____, 20____.

CONSULTANT:

GREATER METROPOLITAN HOUSING CORPORATION

By: _____

Its: President

Date: _____, 20____.



STAFF REPORT No. 5

HOUSING AND REDEVELOPMENT AUTHORITY MEETING JANUARY 17, 2017

REPORT PREPARED BY:

JULIE URBAN, HOUSING SPECIALIST

NAME, TITLE

REPORT PRESENTER:

KAREN BARTON, ASSISTANT COMMUNITY
DEVELOPMENT DIRECTOR

NAME, TITLE

DEPARTMENT DIRECTOR REVIEW:



[Signature]

SIGNATURE

REVIEWED BY EXECUTIVE DIRECTOR:



[Signature]

ITEM FOR HRA CONSIDERATION:

Consideration of a Consulting Agreement with the Center for Energy and Environment for the Residential Energy Program.

I. RECOMMENDED ACTION:

By Motion: Authorize a Consulting Agreement with the Center for Energy and Environment to provide professional services for the Residential Energy Program.

II. EXECUTIVE SUMMARY

The Center for Energy and Environment (CEE) works with the utility companies to offer a Residential Energy Program known as the Home Energy Squad Enhanced Program (HESE). The goal of the program is to reduce energy use and environmental impact by making it as easy as possible for homeowners and renters to make energy-efficient improvements to their homes. The HESE Program has been offered to Richfield residents since 2013.

The program includes the following components:

- Home energy visits.
- Direct installation of energy-saving products (e.g., programmable thermostats, weather stripping, low-flow showerheads, faucet aerators).
- Identification of major efficiency upgrades.

- Follow-up assistance to homeowners to complete and finance major efficiency upgrades.
- Training and quality assurance for insulation and air sealing contractors.

The value of the service is between \$400-\$500. Homeowners pay \$50 for the visit, the Housing and Redevelopment Authority (HRA) pays \$50, and the utility companies cover the remaining cost. A scaled-down version of the program is also available to renters, called Home Energy Squad Install. The HRA pays \$20 for each Home Energy Squad Install visit.

CEE staff works with HRA staff to market the program through mailings, news articles, social media, and attendance at various community events.

III. BASIS OF RECOMMENDATION

A. BACKGROUND

-) In 2013, the HRA signed an Agreement with CEE to offer the HESE program in Richfield.
-) Since that time, over 470 visits have been conducted.
-) In 2015, the HRA agreed to offer the program to households earning less than 80 percent of the Twin Cities Area Median Income at no cost. Twenty-four households have utilized this offer.

B. POLICY

-) The program furthers the following goals of the City's Comprehensive Plan:
 - o Support the rehabilitation and upgrading of the existing housing stock.
 - o Support ongoing maintenance and upkeep of residential properties.
 - o Promote the maintenance of affordable housing in the City.

C. CRITICAL TIMING ISSUES

-) The HRA signed an Agreement with CEE in 2013. The Agreement expires at the end of 2016. In order to continue offering the program in Richfield, a new Agreement is needed.
-) The term of the Agreement runs from January 1, 2017, through December 31, 2019.

D. FINANCIAL

-) In the new Agreement, the HRA pays \$50 for a HESE visit. This is a reduction from \$70 paid in previous years.
-) A scaled-down version (Home Energy Squad Install) is also available to renters. The HRA pays \$20 for Install visits.
-) The HRA pays \$100 for visits offered at no cost to low-income households. (Note: households qualifying for the federally-funded Energy Assistance Program receive the visit at no cost to either the household or the HRA.)

) \$10,000 has been budgeted for the program in 2017.

E. LEGAL

) HRA legal counsel reviewed the Agreement.

IV. ALTERNATIVE RECOMMENDATION(S)

) Do not approve the Consulting Agreement with CEE.

V. ATTACHMENTS

) Consulting Agreement

VI. PRINCIPAL PARTIES EXPECTED AT MEETING
--

) None

CONSULTING AGREEMENT

This CONSULTING AGREEMENT ("Agreement") is made by and between the Housing and Redevelopment Authority in and for the City of Richfield, with offices at 6700 Portland Ave, Richfield, MN 55423 ("Authority"), and CENTER FOR ENERGY AND ENVIRONMENT, with offices at 212 North 3rd Avenue, Suite 560, Minneapolis, Minnesota 55401 ("CEE").

RECITALS

- A. AUTHORITY has a need for certain professional services and desires to retain CEE to provide said services, all subject to the terms and conditions contained in this Agreement.
- B. CEE is qualified to provide the desired professional services and desires to provide said services for AUTHORITY, all subject to the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises contained in this Agreement, the parties agree as follows:

1. Services/Scope of Work & Compensation

CEE shall provide professional services under this Agreement pursuant to "ATTACHMENT A: 2017 HES Partnership Agreement," and any subsequently approved work orders to this contract.

2. Compensation

AUTHORITY shall compensate CEE for the Services as follows:

- 2.1 Compensation under this agreement shall not exceed the amount authorized under approved work orders.
- 2.2 CEE shall submit to AUTHORITY, on a quarterly basis, invoices for services performed under this Agreement, including documentation of services rendered. AUTHORITY shall pay each properly submitted invoice within thirty (30) days after submission of the invoice by CEE.

3. AUTHORITY's Obligations

- 3.1 AUTHORITY shall make reasonable efforts to respond promptly to requests from CEE for information and approvals regarding the services to be provided under this Agreement.
- 3.2 If requested by CEE, AUTHORITY shall make reasonable efforts to obtain information and or permission for access from AUTHORITY's clients which may be necessary for CEE to provide the services under this Agreement.
- 3.3 AUTHORITY shall be responsible for providing assistance with implementing the residential program, as detailed in approved work order(s).

4. CEE's Obligations

- 4.1 CEE shall use its best efforts to provide services under this Agreement in a professional manner consistent with the care and skill used by reputable members of CEE's profession.
- 4.2 CEE, and all of its employees or agents, shall comply with all statutes, ordinances, rules, regulations and other laws applicable to the provision of services under this Agreement.
- 4.3 CEE shall secure all permits and licenses required for performance of the services under this Agreement.
- 4.4 CEE shall not engage in discriminatory employment practices against any employee or applicant for employment and shall in all respects comply with all federal, state and local laws, regulations and orders, including without limitation, Chapter 363 of the Minnesota Statutes, as amended from time to time. Failure to comply with the provisions hereof shall be deemed a material default under this Agreement.

5. Term and Termination

- 5.1 Unless earlier terminated as provided in the following paragraphs, this Agreement shall become effective on January 1, 2017, and continue until terminated by either party, or until all approved work orders are complete.
- 5.2 This Agreement may be terminated by either party, for any reason or no reason, immediately upon written notice to the other party. In the event this Agreement is terminated by CEE prior to the expiration of the term set forth in paragraph 5.1, CEE shall provide AUTHORITY with such information as AUTHORITY may request regarding the status of any ongoing project.
- 5.3 Any termination of this Agreement shall not release either party from their respective obligations under section 7 of this Agreement.

6. Insurance

- 6.1 During the term of this Agreement, CEE will obtain and maintain insurance in the amounts listed below:

General Liability	\$2,000,000	Aggregate Limit
Automobile Liability	\$1,000,000	Combined Single Limit
Excess Liability	\$1,000,000	Aggregate Limit
Professional Liability	\$1,000,000	Aggregate Limit
Workers Compensation		Statutory Limit

7. Confidentiality

Unless otherwise agreed by AUTHORITY in writing, CEE shall maintain in confidence and not disclose to any third party any information obtained regarding AUTHORITY

and/or any of AUTHORITY's clients for which CEE is providing services; provided, however, that this obligation to maintain confidentiality shall not apply to:

- a) Information in the public domain at the time of disclosure;
- b) Information which becomes part of the public domain after disclosure through no fault of CEE; or
- c) Information which CEE can demonstrate was known by it prior to the date of this Agreement.

Notwithstanding the foregoing, CEE shall be entitled to disclose the documents or client information covered by this paragraph to governmental authorities to the extent CEE reasonably believes it has a legal obligation to make such disclosures and to the extent CEE reasonably deems to be necessary; provided, however, that if CEE believes that any such disclosure is required by law, it shall provide advance notice to AUTHORITY to provide AUTHORITY with a reasonable opportunity to attempt to obtain an injunction or other protective order preventing such disclosure.

8. Subcontractors

CEE agrees to bind every subcontractor by the terms, conditions and provisions set forth in the contract that are applicable to the subcontractor's work, unless specifically agreed otherwise in writing by the AUTHORITY. CEE agrees to pay every subcontractor within 10 days of receipt of payment from the AUTHORITY pursuant to Minn. Stat. 471.425.

9. Relationship of Parties

CEE will provide services as an independent contractor under this Agreement. Neither CEE, nor any of its employees or agents, shall be considered employees of AUTHORITY for any purpose, and neither shall CEE be eligible for any compensation or benefits which AUTHORITY may provide to its employees from time to time. CEE shall be solely responsible for all employment and other taxes applicable to providing services hereunder, and AUTHORITY will not withhold any taxes or contributions from the compensation payable to CEE under this Agreement.

10. Notices

All notices, requests, demands and other communications required to be given in writing under this Agreement shall be given to the other party in person or by mail as provided in this section. If delivered personally, notice shall be deemed to have been duly given on the date of delivery. If delivered by mail, such notice shall be sent via first class U.S. mail, postage prepaid, to the address set forth at the beginning of this Agreement or such other address as a party may otherwise request by written notice, and notice shall be deemed duly given three (3) business days after mailing.

11. Assignment

This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns; provided, however, that neither party shall assign or transfer in any manner, this Agreement or any portion hereof without the

prior written consent of the other party, and any attempt to assign or transfer without prior written consent shall be void and of no effect.

12. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

13. Indemnification

CEE agrees to defend, indemnify and hold harmless the HRA against any and all claims, liability, loss, damage or expense arising under the provisions of this Contract and caused by the negligent actions or omission of CEE or its employees, agents and any subcontractors.

HRA agrees to defend, indemnify and hold harmless CEE against any and all claims, liability, loss, damage or expense arising under the provisions of this Contract and caused by the negligent actions or omission of the HRA or its employees, agents and any subcontractors.

14. Government Data

The Contractor agrees to maintain all data received from the City in the same manner as the City as required under the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13. The City acknowledges that this program is sponsored by local utilities and agrees to allow the release of participant data pertinent to the utility partnership.

15. Miscellaneous

15.1 Headings and captions used in this Agreement are for convenience only and shall not affect the meaning of this Agreement.

15.2 This Agreement contains the entire agreement of the parties and supersedes all prior agreements, discussions and representations, written or oral, concerning the subject matter hereof.

15.3 No waiver by AUTHORITY of any term or condition of this Agreement or any document referred to herein shall, whether by conduct or otherwise, be construed as a waiver or release of any other term or condition of this Agreement.

15.4 This Agreement may only be amended in a written agreement signed by both parties.

15.5 The rights and benefits under this Agreement shall inure solely to the benefit of AUTHORITY and CEE, and this Agreement shall not be construed to give any rights, benefits or causes of action to any third party.

15.6 The invalidity or partial invalidity of any provision of this Agreement shall not invalidate the remaining provisions, and the remainder shall be construed as of the invalidated portion shall have never been a part of this Agreement.

15.7 This Agreement may be signed in any number of counterparts, each of which shall be deemed an original and one and the same instrument.

15.8 In the hiring of employees to perform work under this Agreement, the Contractor shall not discriminate against any person by reason of any characteristic protected by state or federal law.

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

Housing and Redevelopment Authority in and for
the City of Richfield (AUTHORITY)

By: _____ Its: Chair

Date: _____

Housing and Redevelopment Authority in and for
the City of Richfield (AUTHORITY)

By: _____ Its: Executive Director

Date: _____

Center for Energy and Environment (CEE)

By: _____ Its: President

Christopher Duffrin

Date: _____ Tax ID # 41-1647799

T:\COMMON\DATA\R001 Residential Program\Admin\Contracts\Drafts\Richfield HRA Master Contract CEE_2017

ATTACHMENT A
AGREEMENT to Perform
Home Energy Squad Install and Enhanced Visits
In the City of Richfield

This Agreement is made by and between the Richfield Housing and Redevelopment Authority (“HRA”) with offices at 6700 Portland Avenue South, Richfield, Minnesota 55423 and the Center for Energy and Environment (“CEE”), with offices at 212 3rd Avenue North, Suite 560, Minneapolis, Minnesota 55401.

The following agreement is for the Center for Energy and Environment (CEE) to deliver Home Energy Squad Install and Enhanced visits to residents of the City of Richfield in partnership with the HRA.

PROGRAM SCOPE

The purpose of the Home Energy Squad Install and Enhanced visits are to promote energy conservation in residential properties. Home Energy Squad Install visits offer energy efficient installs, and Home Energy Squad Enhanced visits offer installs, diagnostic tests, and follow-up services. CEE will perform Home Energy Squad Install and Enhanced visits for \$50 for residents and \$0 to low income residents per the fee schedule listed below.

Type of Home Energy Visit	HRA payment	Resident co-pay
Home Energy Squad Install visit	\$20	\$50
Home Energy Squad Enhanced visit	\$50	\$50
Home Energy Squad Install visit to low income resident	\$70	\$0
Home Energy Squad Enhanced visit to low income resident	\$100	\$0

CEE will collect waiver form from resident at visit verifying that they meet the income guidelines listed below.

Household Size	Income Limit
1	\$46,100
2	\$52,650
3	\$59,250
4	\$65,800

Household Size	Income Limit
5	\$71,100
6	\$76,350
7	\$81,600
8	\$86,900

ELIGIBLE PROPERTIES

Properties must be residential (from 1-4 units) and located within the geographical boundaries of the City of Richfield. Individual owners of condominiums or town homes are eligible for funding.

CEE TASKS

- 1. Conduct Home Energy Squad Install Visits.** CEE will conduct Home Energy Squad Install visits to help homeowners identify and implement energy savings opportunities in their homes. The visit will include the direct install of energy-saving materials where possible, including high-efficiency showerheads, faucet aerators, door weather stripping, a water heater blanket, programmable thermostats and LED light bulbs.
- 2. Conduct Home Energy Squad Enhanced Visits.** CEE will conduct Home Energy Squad Enhanced visits to help homeowners identify and implement energy savings opportunities in their homes. The Enhanced visit will include the direct install of energy-saving materials where possible, including high-efficiency showerheads, faucet aerators, door weather stripping, a water heater blanket, programmable thermostats and LED light bulbs. In addition, it will include a blower door test to check for air leaks, visual inspection of insulation levels with use of infrared camera as weather permits, heating system and hot water heater combustion safety tests and a report to the homeowner on recommended energy upgrades (if resident is a renter, permission from the landlord may be required for doing these additional diagnostic services).

The co-pay and exact package of services are subject to change based on programmatic considerations, including CEE’s agreement with utilities and other factors which are outside the bounds of this agreement. CEE will notify the HRA prior to any changes taking effect. CEE will lead a community-based marketing campaign to promote the program. The HRA shall provide assistance in developing and implementing this campaign.

3. ***Providing Air Sealing and Insulation quotes.*** If air sealing and/or insulation are recommended at a Home Energy Squad Enhanced visit, CEE may provide a quote to the resident that would be honored by participating insulation contractors. CEE is an independent third party to any transaction between the resident and the insulation contractor. CEE does not receive any compensation from insulation contractors, nor does CEE or CenterPoint Energy accept any liability for any work performed by these contractors. Any agreement for work done by the contractors is solely between the contractor and the resident.
4. ***Follow-up services and insulation contractor assistance.*** If major upgrades (air sealing, insulation and furnace or boiler replacement) are recommended at the visit, CEE will follow-up with homeowners through email or by phone to encourage implementation. When a quote is provided CEE has the ability to schedule insulation work directly with a qualified contractor making it easier for homeowner to move forward with recommendations. CEE will also provide contact information to program participants who have follow-up questions after the home visit.

CITY TASKS

1. ***Assist and coordinate with CEE on marketing activities.*** This includes working with CEE on press releases, articles in CITY newsletters, water bill inserts, promoting program on CITY website, CITY email lists, assistance in coordinating with neighborhood and other CITY leaders, assistance in reserving workshop and event space as needed.

PAYMENT

CEE shall submit regular invoices to the HRA for activity performed under this agreement. Invoices will be emailed to Julie Urban.

The HRA will reimburse CEE as outlined in payment table on page 1, not to exceed \$10,000 per year without further authorization from the HRA.

CONTACTS

The following individuals shall be contacts for this program:

CITY OF RICHFIELD CONTACT PERSON

Julie Urban, City of Richfield
Housing Specialist
JUrban@cityofrichfield.org

CEE CONTACT PERSON

Stacy Boots Camp, Center for Energy and Environment
Recruitment and Outreach Coordinator
sbootscamp@mncee.org or 612-244-2429

TERM

The project shall run from January 1, 2017 through December 31, 2019 and may be extended upon mutual agreement by the parties.

In witness thereof, the parties have executed this agreement as of the date written below.

**CITY OF RICHFIELD HOUSING AND
REDEVELOPMENT AUTHORITY**

CENTER FOR ENERGY AND ENVIRONMENT

By: _____

By: _____

Date: _____

Date: _____

TAX ID 41-1647799

By: _____

Date: _____



STAFF REPORT No. 6

HOUSING AND REDEVELOPMENT AUTHORITY MEETING JANUARY 17, 2017

REPORT PREPARED BY:

JULIE URBAN, HOUSING SPECIALIST

NAME, TITLE

REPORT PRESENTER:

KAREN BARTON, ASSISTANT COMMUNITY
DEVELOPMENT DIRECTOR

NAME, TITLE

DEPARTMENT DIRECTOR REVIEW:



A handwritten signature in black ink, appearing to read "Julie Urban".

SIGNATURE

REVIEWED BY EXECUTIVE DIRECTOR:



A handwritten signature in black ink, appearing to read "Steven Paul".

ITEM FOR HRA CONSIDERATION:

Consideration of a revised fee schedule for Housing and Redevelopment Authority housing programs.

I. RECOMMENDED ACTION:

By Motion: Adopt a revised Fee Schedule for Housing and Redevelopment Authority housing programs.

II. EXECUTIVE SUMMARY

Housing and Redevelopment Authority's (HRA) staff administer several housing programs and manage the HRA's loan portfolio. Fees are charged to cover the cost of processing housing program applications, subordinations, and requests for loan settlements.

It is appropriate to review these fees on an annual basis and recommend changes when necessary. The fees charged should reflect the staff time and costs related to performing the services associated with those fees.

The attached fee schedule lists the proposed fees. A slight increase is proposed for most items, reflecting increased administration costs. New fees are proposed for

Loan Amendment and Loan Settlement requests to cover the cost of processing those requests. A reduction is proposed for the Transformation Loan because a substandard inspection is no longer required.

III. BASIS OF RECOMMENDATION

A. BACKGROUND

-) Staff costs are incurred in the administration of HRA programs. It is appropriate to charge a fee to help cover the cost of delivering these programs.
-) The fees should be reviewed on an annual basis so that they best reflect the actual cost of performing the associated services.
-) In the case of the Transformation Loan Program, the application fee has been reduced because a substandard inspection is no longer required due to a change in the funding source for that program.

B. POLICY

-) State Statutes require municipal fees and permits to be established based on actual staff time and costs that are incurred in providing the relevant services.
-) It is also important that fees not be so onerous as to discourage participation in HRA programs.

C. CRITICAL TIMING ISSUES

-) None

D. FINANCIAL

-) Staff has reviewed the program fees and is recommending changes to reflect the current actual staff time and costs incurred.

E. LEGAL

-) The HRA is permitted to charge fees to recoup the costs of delivering services.

IV. ALTERNATIVE RECOMMENDATION(S)

-) Do not adopt the proposed fees.

V. ATTACHMENTS

-) List of proposed fees.

VI. PRINCIPAL PARTIES EXPECTED AT MEETING

-) N/A

Richfield Housing & Redevelopment Authority
2017 Housing Program Fees
Proposed



Program/ITEM	Existing	Proposed
Subordination	125	135
Administrative Change/Second Copy	30	30
Loan Amendment	0	125
Loan Settlement Request	0	100
Mortgage Satisfaction/Release Filing, upon request	75	85
Transformation Loan Application*	350	300
Richfield Rediscovered Lot Sale Application*	525	550
Richfield Rediscovered Credit Application*	525	550

*Plus any applicable filing fees



STAFF REPORT NO. 7

HOUSING AND REDEVELOPMENT AUTHORITY MEETING JANUARY 17, 2017

REPORT PREPARED BY:	KAREN BARTON, ASSISTANT COMMUNITY DEVELOPMENT DIRECTOR <small>NAME, TITLE</small>
REPORT PRESENTER:	KAREN BARTON, ASSISTANT COMMUNITY DEVELOPMENT DIRECTOR <small>NAME, TITLE</small>
DEPARTMENT DIRECTOR REVIEW:	<input checked="" type="checkbox"/>  <small>SIGNATURE</small>
REVIEWED BY EXECUTIVE DIRECTOR:	<input checked="" type="checkbox"/>  <small>SIGNATURE</small>

ITEM FOR HRA CONSIDERATION:

Consideration of an amendment to the Preliminary Development Contract with Cedar PT II LLC.

I. **RECOMMENDED ACTION:**
By Motion: Approve the resolution approving the First Amendment to Preliminary Development Contract with Cedar PT II, LLC and authorizing the Chairperson and Executive Director to execute the Agreement.

II. EXECUTIVE SUMMARY

The Richfield Housing and Redevelopment Authority (HRA) and Cedar PT II, LLC (Developer) entered into a Preliminary Development Contract, dated October 19, 2015, which sets forth the Developer's intentions to develop a two-block site in the Cedar Point II Housing redevelopment area, a portion of which is owned by the HRA, and the conditions under which the Developer will undertake the Project.

The original agreement expired on May 1, 2016. Due to a number of issues causing delays in the drafting of the Contract for Private Development, HRA staff is recommending and the Developer has agreed to an extension of the termination date of the Preliminary Development Contract to April 30, 2017.

Extension of the termination date will allow HRA Staff and the Developer time to work through issues related to the proposed development project and to draft the subsequent Contract for Private Development between the HRA and the Developer.

III. BASIS OF RECOMMENDATION

A. BACKGROUND

-) Boisclair Corporation and NHH Properties (d/b/a Cedar PT II LLC) is proposing to acquire a number of HRA owned properties in the Cedar Point II Housing development area between 65th Street and 63rd Street, and Richfield Parkway and 16th Avenue, for development of at least 165 housing units with at least 20% affordable units.
-) All requirements of the Developer in the Preliminary Development Agreement have been met with the exception of entering into a Contract for Private Development and Purchase Agreement.

B. POLICY

-) 2008 Comprehensive Plan:
 - o *Maintain a housing supply that meets changing needs while sustaining the integrity of existing neighborhoods;*
 - o *Maintaining a diversity of housing types and prices ranges.*

C. CRITICAL TIMING ISSUES

-) The Preliminary Development Contract expired on May 1, 2016.

D. FINANCIAL

-) The Preliminary Development Contract provides for the reimbursement of all out-of-pocket administrative costs incurred by the HRA relating to the negotiation and preparation of the Agreement and other documents and agreements in connection with the activities and the prospective development project, as well as reimbursement of nominal staff time in the amount of \$2,000.
-) The development is in an existing Tax Increment Financing (TIF) Redevelopment District; however, establishment of a new Housing TIF District is likely to be considered. Any financial assistance to

the development through TIF would require verification of necessity and approval by the City Council and HRA.

E. LEGAL

-) The HRA attorney drafted the First Amendment to the Preliminary Development Contract.
-) Eventual redevelopment of the HRA property will be in accordance with a Contract for Private Development and/or other agreements.

IV. ALTERNATIVE RECOMMENDATION(S)

-) Do not approve the resolution.

V. ATTACHMENTS

-) Resolution
-) First Amendment to Preliminary Development Contract

VI. PRINCIPAL PARTIES EXPECTED AT MEETING

-) Representatives of Cedar PT II LLC

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

RESOLUTION NO. _____

**RESOLUTION APPROVING FIRST AMENDMENT TO PRELIMINARY DEVELOPMENT
CONTRACT WITH CEDAR PT II L.L.C.**

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the "Authority"), and Cedar Pt II L.L.C., a Minnesota limited liability company (the "Developer"), entered into a Preliminary Development Agreement, dated October 19, 2015 (the "Original Agreement"), pursuant to which the Developer proposed redevelopment within the City of Richfield which will consist of a multifamily housing development consisting of at least 165 units with at least 20% affordable units (the "Project"), and the Authority agreed to support and cooperate with the Developer in its effort with respect to the Project; and

WHEREAS, the Original Agreement includes a termination date of May 1, 2016, unless extended in accordance with the terms of the Original Agreement, including but not limited to approval by the Board of Commissioners of the Authority (the "Board"); and

WHEREAS, there has been presented before this Board a form of First Amendment to Preliminary Development Agreement (the "First Amendment to Agreement") proposed to be entered into between the Authority and the Developer, which would amend the Original Agreement by extending the termination date to April 30, 2017; and

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

1. The extension of the termination date set forth in Section 4 of the Original Agreement is hereby approved.

2. The First Amendment to Agreement is hereby in all respects authorized, approved, and confirmed, and the Chair and the Executive Directed are hereby authorized and directed to execute the First Amendment to Agreement for and on behalf of the Authority in substantially the form now on file with the Community Development Director but with such modifications as shall be deemed necessary, desirable, or appropriate, the execution thereof to constitute conclusive evidence of their approval of any and all modifications therein.

3. The Chair and the Executive Director are hereby authorized to execute and deliver to the Developer any and all documents deemed necessary to carry out the intentions of this resolution and the Original Agreement, as amended by the First Amendment to Agreement.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 17th day of January, 2017.

Mary Supple, Chair

ATTEST:

Doris Rubenstein, Secretary

FIRST AMENDMENT TO PRELIMINARY DEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT TO PRELIMINARY DEVELOPMENT AGREEMENT (the "First Amendment to Agreement") is made and entered into this 17th day of January, 2017, by and between the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota, a Minnesota public body corporate and politic (the "HRA"), and Cedar Pt II L.L.C., a Minnesota limited liability company (the "Developer").

RECITALS:

First: The Developer and the HRA have been engaged in discussions regarding the possible development of certain land located in the City of Richfield (the "Project Area");

Second: Pursuant to a Preliminary Development Agreement, dated October 19, 2015 (the "Original Agreement"), between the HRA and the Developer, the Developer proposed redevelopment within the Project Area which will consist of a multifamily housing development consisting of at least 165 units with at least 20% affordable units (hereinafter the "Project"), and the HRA agreed to support and cooperate with the Developer in its effort with respect to the Project;

Third: Section 4 of the Original Agreement provides that the Original Agreement shall be effective from the date of its execution through May 1, 2016, unless extended by the HRA according to the terms therein;

Fourth: The HRA and the Developer intend to extend the term of the Original Agreement pursuant to the terms hereof, and at its meeting on January 17, 2017, the Board of Commissioners of the HRA approved such extension;

Fifth: The HRA and the Developer have executed this First Amendment to Agreement to document their understanding with respect to the proposed Project.

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and mutual obligations of the parties contained herein, each of them does hereby represent, covenant and agree with the other as follows:

1. Amendment to Original Agreement.

Section 4 of the Original Agreement is amended as follows (deleted language is stricken, and new language is underlined):

This Agreement is effective from the date hereof through ~~May 1, 2016~~ April 30, 2017, unless extended with approval of the HRA's Board of Commissioners, provided, in the event either party, after consultation with the other party, determines in good faith that the other party is not diligently pursuing the Project or its obligations hereunder; or the Developer determines, in good

faith, that the Project is not feasible, such determining party may terminate this Agreement upon thirty days written notice to the other. The HRA may also terminate this Agreement for failure of the Developer to provide additional funds pursuant to Section 5 below. The parties each waive any claim or cause of action that they may have against the other party based upon the termination of this Agreement by such other party. The parties may, by mutual written agreement, extend this Agreement for such further periods as determined to be appropriate from time to time.

2. Definitions.

- (a) The term "Agreement" is hereby amended to refer to the Original Agreement, as amended by this First Amendment to Agreement, and as may be further amended.
- (b) Unless otherwise defined herein, any terms used in this First Amendment to Agreement shall have the meanings assigned such terms in the Original Agreement.

3. Effective Date.

This First Amendment to Agreement shall be effective as of January 17, 2017.

4. Confirmation of Original Agreement.

Except as specifically amended by this First Amendment to Agreement, the Original Agreement is hereby ratified and confirmed and remains in full force and effect.

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

IN WITNESS WHEREOF, the parties have executed this First Amendment to Agreement effective the date and year first above written.

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

CEDAR PT II L.L.C.,
a Minnesota limited liability company

By: _____
Mary Supple
Its: Chair

By: _____
Lori Boisclair
Its: Chief Manager

By: _____
Steven Devich
Its: Executive Director



STAFF REPORT No. 8

HOUSING AND REDEVELOPMENT AUTHORITY MEETING JANUARY 17, 2017

REPORT PREPARED BY:

JULIE URBAN, HOUSING SPECIALIST

NAME, TITLE

REPORT PRESENTER:

KAREN BARTON, ASSISTANT COMMUNITY
DEVELOPMENT DIRECTOR

NAME, TITLE

DEPARTMENT DIRECTOR REVIEW:



[Signature]

SIGNATURE

REVIEWED BY EXECUTIVE DIRECTOR:



[Signature]

ITEM FOR HRA CONSIDERATION:

Consideration of an appeal of a denial of the sale of a Richfield Rediscovered lot at 6345 Bloomington Avenue to T-Square Repair and Remodeling.

I. RECOMMENDED ACTION:

By Motion: Deny the appeal of the denial of the sale of a Richfield Rediscovered lot at 6345 Bloomington Avenue to T-Square Repair and Remodeling.

II. EXECUTIVE SUMMARY

In November 2016 Tim Sjoquist (Builder), the owner of T-Square Repair and Remodeling, submitted a preliminary application on behalf of Jon Pues (Proposed Homeowner) to purchase the Richfield Rediscovered lot at 6345 Bloomington Avenue and build a new home.

Upon review of the application by Housing and Redevelopment Authority's (HRA) staff and City of Richfield Inspections and Planning staff, the application was denied for the following reasons:

1. The Proposed Homeowner has a history of acting in the role of a contractor when not licensed to do so;
2. The proposed home design does not warrant the significant subsidy provided through the Richfield Rediscovered Program;

3. The Builder has built only one new home, which is the Proposed Homeowner's current home in Richfield. That home was constructed utilizing the Richfield Rediscovered program, and the Builder had substantial difficulty meeting building codes and requirements, as well as minimum quality standards.
4. The Proposed Homeowner has previously participated in two Richfield Housing and Redevelopment Authority (HRA) housing programs (Transformation Loans and Richfield Rediscovered); in which both housing staff and Building Inspections staff encountered consistent problems and an end product that was not completed to the desired standards of the program.
5. The fact that the Proposed Homeowner has held the previous Richfield Rediscovered home he built for such a short period of time, brings into question whether HRA funds should be used to subsidize multiple projects with one homeowner whose primary goal may be to construct and sell homes rather than to construct a home for his own occupation; which is not the intent of the program.

Mr. Sjoquist objected to the denial and requested an appeal of staff's decision to the HRA.

III. BASIS OF RECOMMENDATION

A. BACKGROUND

-) The Proposed Homeowner has received two Transformation Loans (1999 and 2006) for two separate properties, and built one other house through the Richfield Rediscovered Program (2014), resulting in a total subsidy to date to the Proposed Homeowner of just over \$54,000.
-) Richfield Rediscovered Guidelines prohibit a Buyer from functioning as the Builder, for which Mr. Pues was notified by staff. However, although T-Square Repair and Remodeling applied for the building permit on the previous Richfield Rediscovered home, Mr. Pues assumed most of the role normally held by a general contractor. This presented many difficulties during the construction, and resulted an end product inferior to the Richfield Rediscovered Program goals.
-) While licensed in new construction, the Builder's primary experience is in repair and remodeling. The previous Richfield Rediscovered home built for Mr. Pues (6808 14th Avenue) is the only new home constructed by the Builder. Based on staff's experience with the Builder during the construction of this home, it is staff's opinion that he lacks sufficient knowledge of building and energy codes, as well as the new construction experience that we require for our Richfield Rediscovered Program. Further, there have been a significant number of new building and energy codes adopted since the construction of the previous house.

B. POLICY

-) In order to ensure a quality project, timely completion, and to prevent providing a subsidy for investment-seeking individuals, the Richfield Rediscovered Program guidelines specifically prohibit Buyers from functioning as the Builder:
- o The Buyer may not also function as the Builder on a Richfield Rediscovered project. Buyers, unless licensed in the trade specified, may not put any sweat equity into the construction of the foundation, wall/roof framing, shingling, exterior work, electrical/plumbing/HVAC systems or interior carpentry.

C. CRITICAL TIMING ISSUES

-) None.

D. FINANCIAL

-) The HRA acquired 6345 Bloomington Avenue and demolished the structure for a total of \$92,000. The appraised lot price is \$40,000, which equates to a \$52,000 subsidy towards the purchase of the property. Given the significant subsidy provided through the Richfield Rediscovered Program, it is appropriate to require high standards for participating in the Program.

E. LEGAL

-) The Richfield Rediscovered Program is a discretionary program involving a significant subsidy. As such, the HRA has the authority to deny the sale of the lot.

IV. ALTERNATIVE RECOMMENDATION(S)

-) Approve the appeal and direct staff to continue processing the application.

V. ATTACHMENTS

-) Letter from Tim Sjoquist, T-Square Repair and Remodeling
) Letter from Jon Pues, proposed homeowner
) Proposed house plans

VI. PRINCIPAL PARTIES EXPECTED AT MEETING

-) Tim Sjoquist, Builder
) Jon Pues, Proposed Homeowner



T-Square Repair & Remodeling

6009 Penn Avenue South • Minneapolis, MN 55419 • 612.423.4489

December 30, 2016

To the Richfield HRA and the Richfield City Council:

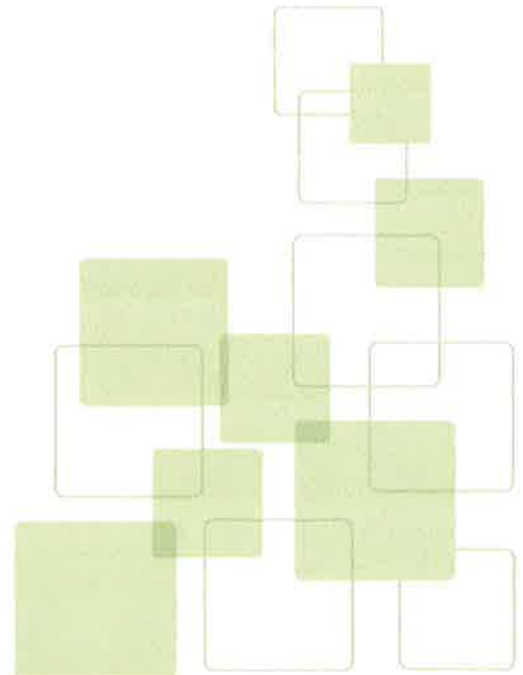
I would like to appeal the decision not to let T-Square Repair and Remodeling build a home through the HRA program at 6345 Bloomington Ave S., below I have listed the issues I have with the decision.

- 1) The design of the house that was submitted fits all of written criteria of the HRA guide lines with 4 bedrooms, 4 baths, 2 car attached garage, basement and 2800 sq. ft. of finished living space. While we did discuss other designs, the home owner decided on this design due to the location of the home under the Minneapolis Airport flight path. It fits well into the neighborhood and would complement the existing homes in the area.
- 2) The issue of my experience as a home builder. The first home built with the HRA program was built in 2013-2014 the project was completed in under the 1 yr time frame. The home itself was completed in 7 months and the rest of the time was completing the yard and outdoor finishes that were delayed due to weather and other circumstances. The house received an excellent rating from the MN Green Path program, rating better than the standard new home builder.

There were several other factors that did include the other builder next door and unwritten rules that I ran into that now I am aware of.

Thank you,

Tim Sjoquist
T-Square Repair and Remodeling.



Contractor License #BC20582177

December 30, 2016

Richfield HRA and Richfield City Council

HRA lot 6345 Bloomington Ave S.

Dear Julie and Kate,

I am writing you to let you know that I am in disagreement of the HRA decision not to work with me on the project at 6345 Bloomington Ave S. and would like to be put on the docket for the January meeting of the HRA to discuss this matter.

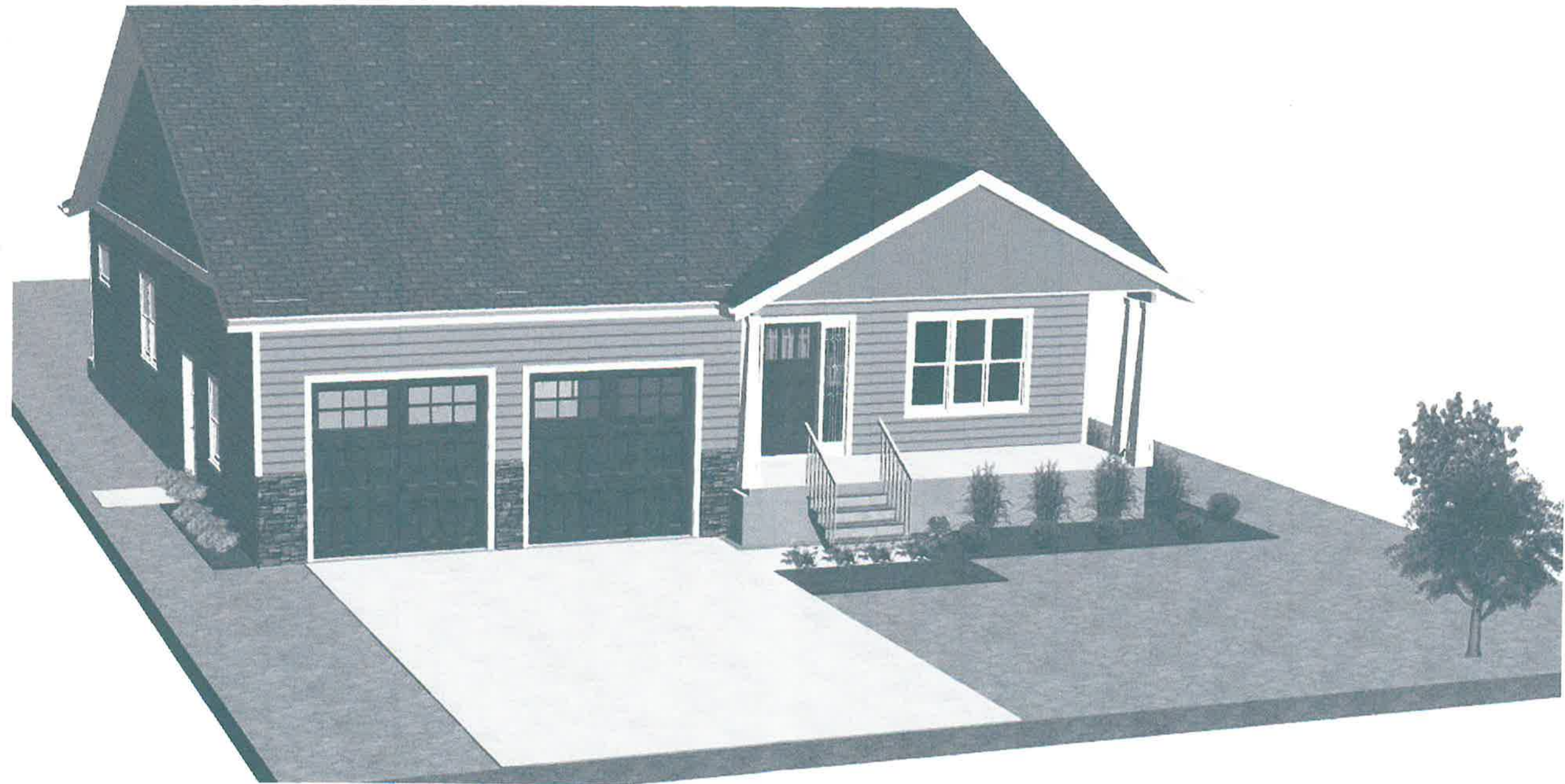
From your last reply to my builder it appears to me I am being singled out by the HRA for something that has already been addressed. While I did take a more active role in my last house which the HRA was aware of and approved, this time that would not be the case.

As I stated in an email to you Tim is the general contractor and is the point person for the project. I should also point out that many of the problems that were experienced were due to the other builder next door, unwritten requirements that we were not aware of, and miscommunication between the HRA, building inspections, and us.

If the HRA would like to discuss this before the meeting Tim and I would be more than happy to meet.

Thank you.

Jon Pues



NO.	DESCRIPTION	BY	DATE

SHEET TITLE

PROJECT DESCRIPTION:
Bloomington Middle Bath

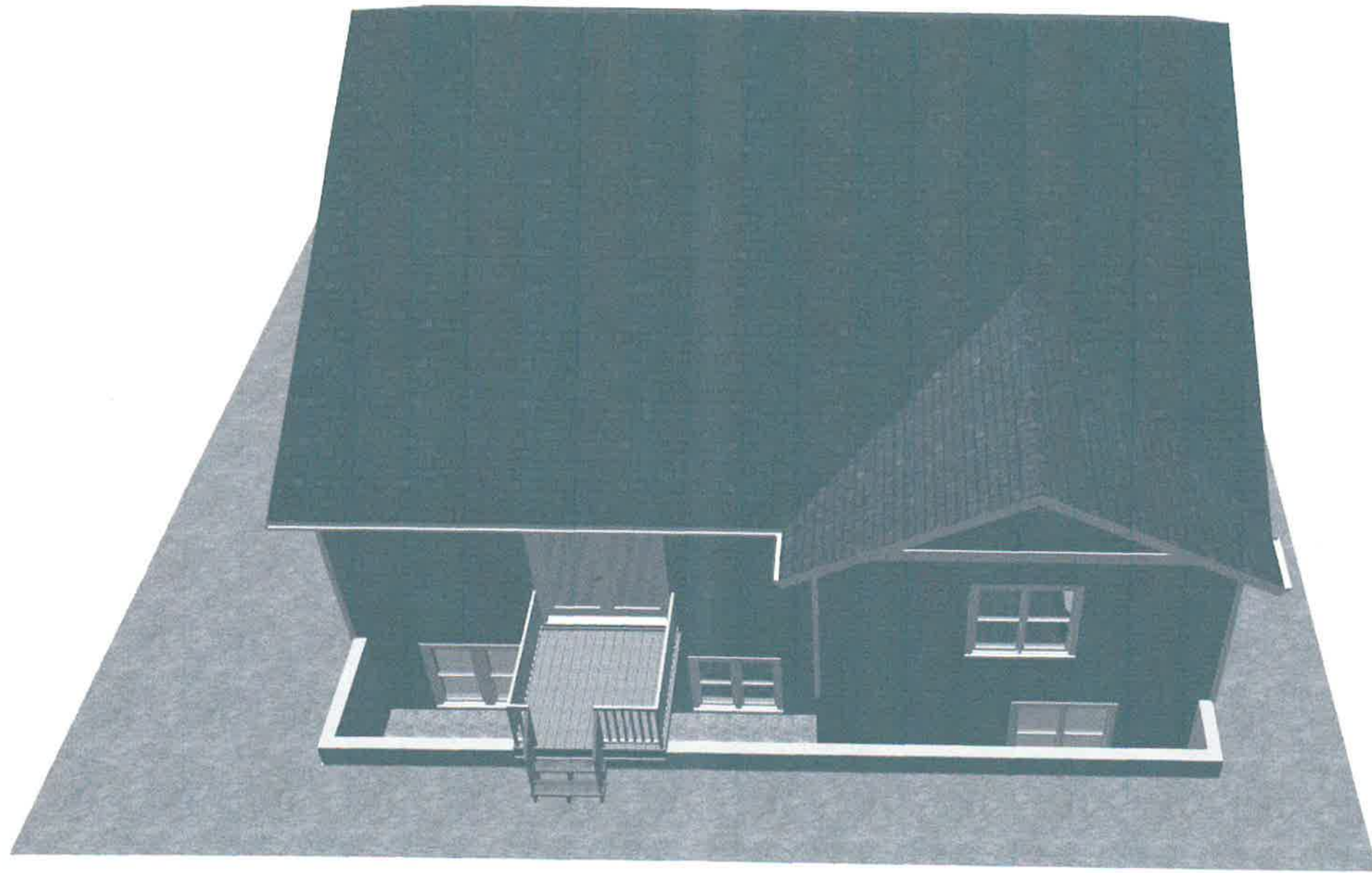
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DATE:
11/16/2016

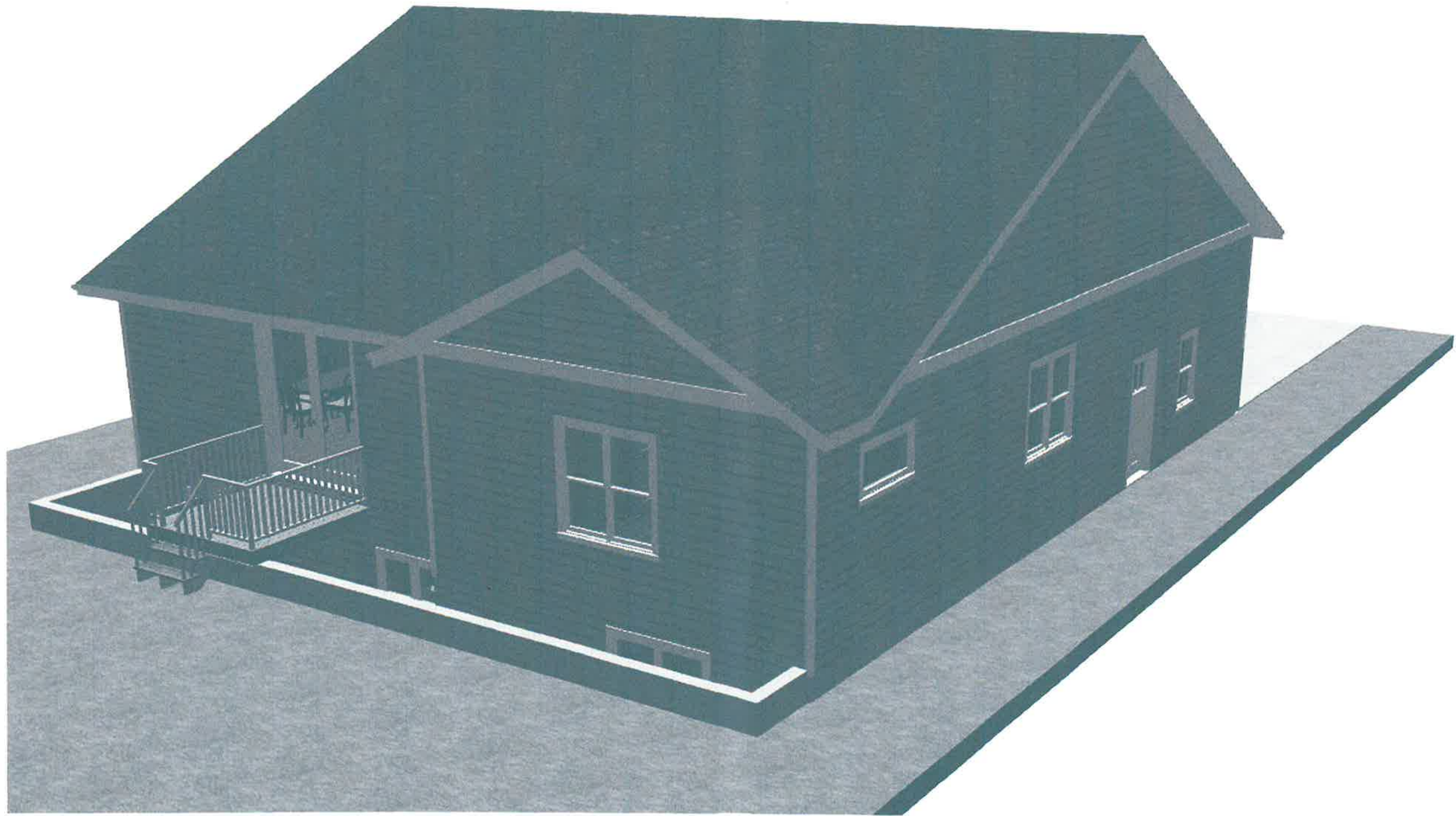
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SHEET:

A-9



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DATE: 11/16/2016		SCALE:		SHEET: A-6			



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NO.	DESCRIPTION	BY	DATE

SHEET TITLE: Bloomington Middle Bath

PROJECT DESCRIPTION: Bloomington Middle Bath

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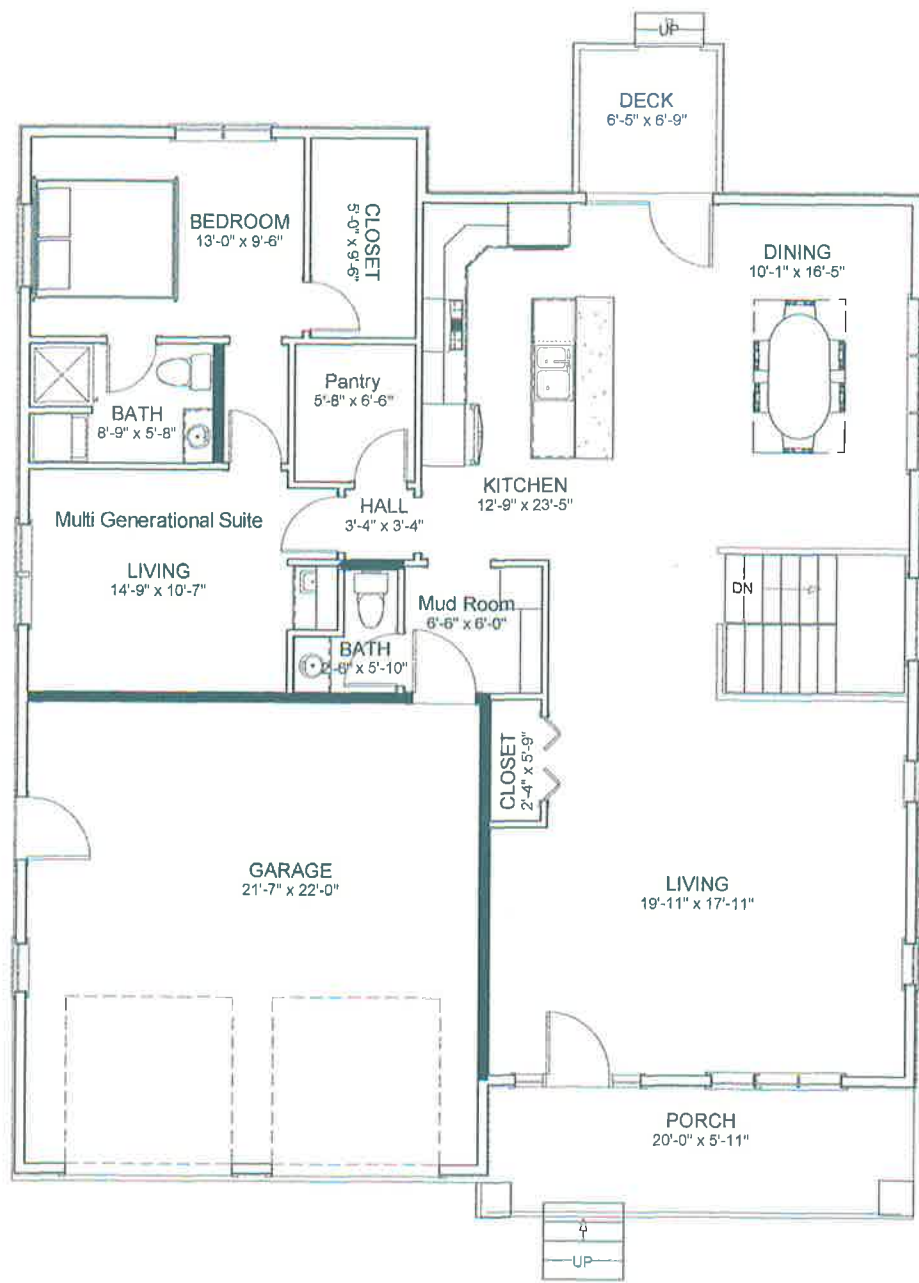
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11/16/2016

SCALE:

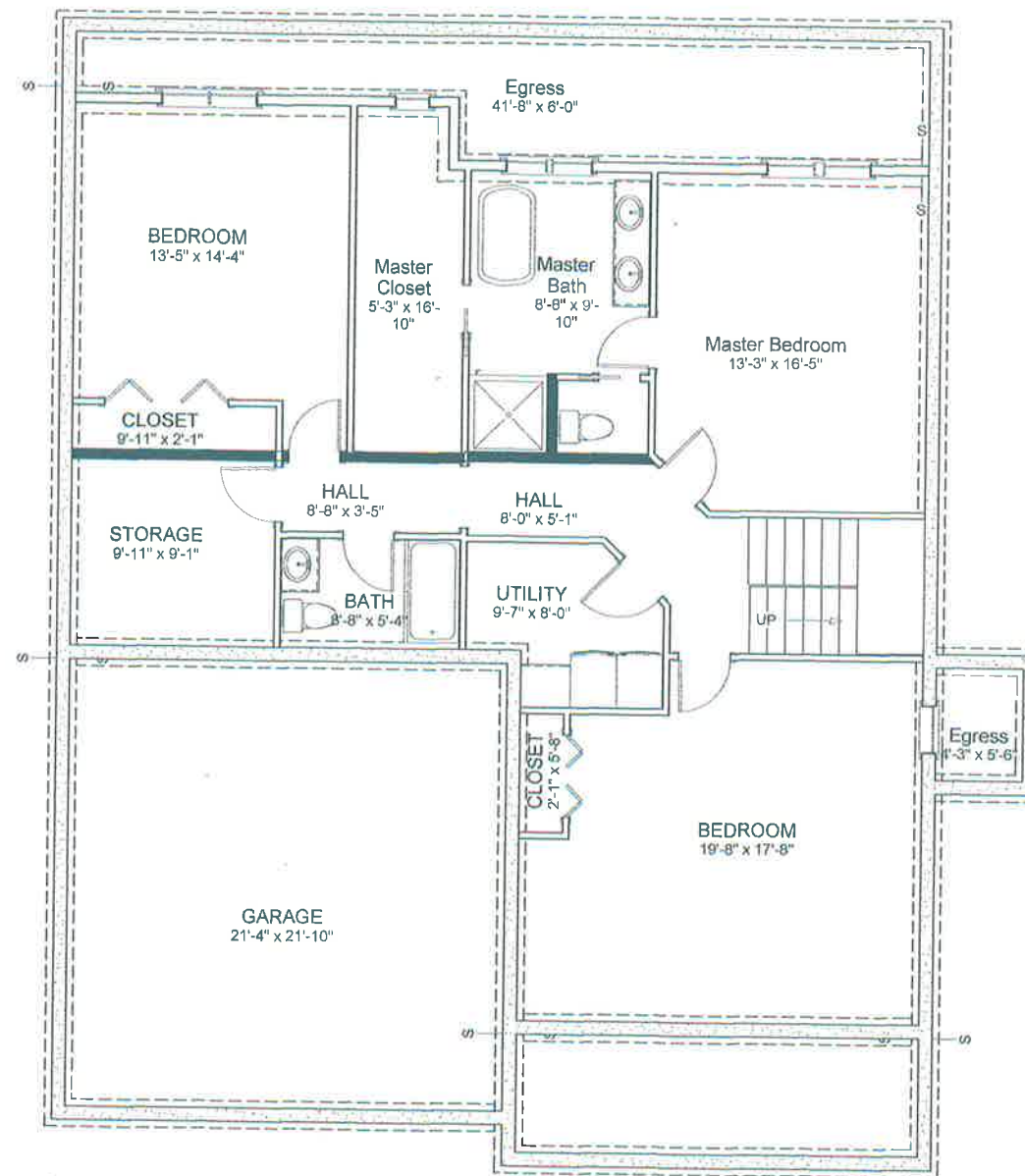
SHEET:

A-7



Main Floor

LIVING AREA
1414 sq ft



Basement

LIVING AREA

PROJECT DESCRIPTION:		SHEET TITLE:	
Bloomington Middle Bath		SHEET TITLE	
DRAWINGS PROVIDED BY:		NO. DESCRIPTION	
		BY DATE	
DATE:		11/16/2016	
SCALE:			
SHEET:		A-1	



Front



Right



Rear



Left

DRAWINGS PROVIDED BY:		PROJECT DESCRIPTION: Bloomington Middle Bath		SHEET TITLE: SHEET TITLE	
DATE: 11/16/2016		NO. DESCRIPTION		BY DATE	
SCALE:					
SHEET: A-4					