



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Regular Meeting
January 17, 2017

CALL TO ORDER

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

ATTENDANCE

HRA Members Present: Mary Supple, Chair; David Gepner; Doris Rubenstein; and Pat Elliott (arrived at 7:18pm).

HRA Members Absent: Michael Howard

Staff Present: Steve Devich, Executive Director,
John Stark, Director of Community Development,
Karen Barton, Assistant Director of Community Development
Julie Eddington, HRA Attorney, Kennedy and Graven

Item #1	OATH OF OFFICE FOR RICHFIELD HRA COMMISSIONER, MICHAEL HOWARD
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Due to Michael Howard's absence, this item was postponed until the February meeting.

Item #2	CONSIDERATION OF THE ELECTION OF THE RICHFIELD HRA OFFICERS FOR 2017. SR No. 1.
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Chair Supple opened nominations.

Commissioner Rubenstein nominated Mary Supple to serve as Chair
Motion carried 3-0.

Commissioner Rubenstein nominated Pat Elliott to serve as Vice-Chair
Motion carried 3-0.

Chair Supple nominated Doris Rubenstein to serve as Secretary
Motion carried 3-0.

Item #3	APPROVAL OF THE MINUTES OF THE REGULAR HRA MEETING OF DECEMBER 19, 2016
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M/Gepner, S/Rubenstein to approve the minutes.

Motion carried 3-0.

Item #4	HRA APPROVAL OF THE AGENDA
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A discussion was added to the agenda regarding the Southdale Library redevelopment.

M/Gepner, S/Rubenstein, to approve the agenda as modified.

Motion carried 3-0.

Item #5	HRA APPROVAL OF THE CONSENT CALENDAR
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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

Chair Supple and Commissioner Gepner asked about the depositories that are selected for the HRA. Executive Director Devich responded to the questions and stated that he would provide the Commissioners with a list of those institutions.

Commissioner Gepner asked if the Architectural Consultation Program was included under item C, Consultant Services Agreement with the Greater Metropolitan Housing Corporation. Assistant Community Development Director Karen Barton responded that it was not part of the agreement with GMHC. She described the programs available under the Consultant Services Agreement.

M/Rubenstein, S/Gepner, to Approve the Consent Calendar

Motion carried 3-0.

Item #6	CONSIDERATION OF AN AMENDMENT TO THE PRELIMINARY DEVELOPMENT CONTRACT WITH CEDAR PT II LLC.
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Assistant Community Development Director Barton presented Staff Report No. 7.

Adam Seraphine, LLC Partnership, presented the HRA with a status update on the project. He stated that the extension of the agreement is needed to get the project done as one, rather than two separate parts (townhomes and apartments).

Commissioner Gepner asked what has been the communications with homeowners.

Seraphine responded, and stated that they have been in communications with individual homeowners about the equity gap issues and the timing of the projects. Moving forward, they will be providing the HRA with a bi-weekly update.

Commissioner Gepner asked about the grants for the project area that are being submitted. Assistant Community Development Director Barton responded that while they weren't selected for the fall round of Transit-oriented Development (TOD) funding, the application will be resubmitted for the 2017 funding round. The application is due in February. The feedback on the initial application was positive, and Assistant Community Development Director Barton is optimistic.

Commissioner Rubenstein asked if the homeowners were amenable to being bought out. Assistant Community Development Director Barton said she believed most were amenable, but that it would be handled on a 'first-come, first-serve' basis.

Community Development Director Stark stated that staff sent a letter out to the homeowners last week, providing an update and notice of tonight's meeting. No feedback was received.

Commissioner Elliott arrived at 7:18pm.

Commissioner Gepner asked if, in the event that the project is separated, would the development agreement bind the developer to completing both parts of the project. Assistant Community Development Director Barton responded that those details are yet to be finalized.

M/Gepner, S/Rubenstein, to approve the resolution approving the first amendment to the preliminary development agreement with Cedar Point II LLC.

Motion carried 4-0.

Item #7	CONSIDERATION OF AN APPEAL OF A DENIAL OF THE SALE OF A RICHFIELD REDISCOVERED LOT AT 6345 BLOOMINGTON AVENUE TO T-SQUARED REPAIR AND REMODELING
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Community Development Director Stark reviewed Staff Report No. 8.

Tim Sjoquist, owner of T-Square Repair and Remodeling, resident of 4600 Heritage Hills Drive, Bloomington, business address: 6009 Penn Ave S, Minneapolis. Mr. Sjoquist first asked about application process, and feels that the roadblock is happening during the first

part of the process. He provided an energy-rating worksheet from his previously-built home. He asked for clarification on the quality standards of the last home he built in Richfield. He also asked for clarification about the objections to the involvement of the homeowner in his previous project.

Jon Pues, resident of 6808 14th Ave S, stated he's been a lifelong Richfield resident, and has used the HRA programs multiple times. He noted that there were hiccups during the construction of the new home on 14th Avenue. He stated that he didn't have enough time to address all the issues, and that concerns mentioned in the staff report were not made known to him prior to the meeting.

Community Development Director Stark stated that communications were made between the applicant and staff. He stated that he discussed the items listed on the staff report with Mr. Sjoquist approximately two weeks prior to the HRA meeting, and that staff report was made public to the applicants.

Executive Director Devich stated that it would be up to the HRA to allot more time to Mr. Pues.

Community Development Director Stark clarified that concerns about Mr. Sjoquist's experience and capabilities were related to new construction, rather than remodeling, and were based on the construction of Mr. Pues' first home in 2014. Community Development Director Stark mentioned that during that project there were four failed inspections, as well as multiple items listed in building permits results and reports. He also noted that the Chief Building Inspector, Rick Regnier, stated that during the construction of his first Richfield Rediscovered home, Mr. Pues had a very high level of involvement, without being licensed.

Mr. Sjoquist responded from the seating area of Council Chambers, and was not audible via microphone.

Commissioner Rubenstein asked if Mr. Pues would be eligible to reapply with a more experienced builder and/or project manager. Community Development Director Stark stated that given the cumulative issues it would be difficult to approve a project, but that each application would be evaluated separately.

Commissioner Gepner asked how the new home would differ from his existing home. Mr. Pues stated that the new home would be a rambler, rather than a two-story home. It would include a multi-generational suite, as his current house does.

Commissioner Gepner asked how many Richfield Rediscovered lots were currently available. Community Development Director Stark stated approximately seven lots remained for sale.

Commissioner Gepner asked the applicant why they should not trust staff's recommendation on this issue. Mr. Pues stated that he's been in the building trades his whole life. Commissioner Gepner asked if the applicant was a builder. Mr. Pues stated that he is not a builder, but that his background is in retail and design. He has experience working at Home Depot with specialized customers/accounts. He is very familiar with how houses go together. He stated that new homes are easier to build rather than remodeled homes. He stated that he works with realtors and others to help with design. He stated that design is a matter of personal choice.

Commissioner Elliott asked a question, the beginning of which was inaudible. He stated that he doesn't believe that Mr. Pues can withhold his involvement in this type of project.

Mr. Pues responded that he did not pull any permits, but only did low-voltage work, which was allowed.

Mr. Sjoquist stated that they selected their design to help with noise issues, rather than focusing on the second-story or other features. He stated he is confused about future applications for this program. He stated that he sent Mr. Pues to inspections to act as his agent and that he is allowed to be involved in the construction of his new house. He asked for specific problems with the previous project.

Community Development Director Stark clarified that Mr. Sjoquist was never called a 'bad builder'. He also referenced that the HRA's attorney, Julie Eddington, had reviewed the program guidelines and was available to answer any questions.

Julie Eddington, attorney for the HRA, stated that the mission of the HRA's programs is met by offering subsidies for residential remodeling and new construction projects. The policy for Richfield Rediscovered does not put any liability or requirements on the HRA to give a subsidy to all projects that apply. The HRA has the authority to award or deny without being in danger of claims of discrimination for the reasons given in this specific case.

M/Gepner, S/Elliott to deny the appeal of a denial of the sale of a Richfield Rediscovered lot at 6345 Bloomington Avenue to T-Squared Repair and Remodeling

Commissioner Rubenstein reiterated that they may re-apply, or that they may build the new home without utilizing the RR program.

Motion carried 4-0.

Item #8	HRA DISCUSSION ITEMS
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Commissioner Rubenstein described the redevelopment project that is being undertaken at the Hennepin County Southdale Library site. She expressed some concern about the public participation process that is currently being undertaken. She stated that some staff and policymakers have been able to attend the meetings. Commissioner Rubenstein stated that the recommendations being shown at public meetings have not reflected the input gathered by local stakeholders, especially as it concerns traffic/parking, density and types of use. She encouraged citizens to get involved in this process to represent Richfield's priorities.

Commissioners Elliott and Gepner agreed that the process has not accurately reflected the input given by residents of Edina and Richfield. Commissioner Elliott stated that the next meeting on February 9th is extremely important, and will be crucial for Richfield residents to attend.

Community Development Director Stark commented on his involvement and gave his perspective on the process.

Chair Supple agreed with Commissioner Gepner's experience.

Commissioner Gepner asked for an update on Lyndale Gardens. Community Development Director Stark stated that the developer is exploring the option of selling the property to another developer, or of bringing in a new development partner. He mentioned that they have met with one developer that showed interest in the property. Commissioner Gepner asked if the city has any liability should the project not move forward. Stark stated that the Metropolitan Council stated that they have never asked for the return of the grant funds should a project fail to move forward, at no fault of the city. Executive Director Devich stated

that the site has been improved and that it will be an excellent redevelopment site for the right developer. He doesn't believe the current developer will be able to go forward, but that it will be done in the future.

Commissioner Elliott asked whether the next developer will have similar financial constraints, due to density limitations that the current developer is experiencing. He stated that the city needs a developer who has the liquidity to help finance the project without relying completely on lenders.

Executive Director Devich stated that the density of the site will continue to be a challenge on the site, but there may be ways to creatively work through the problem.

Commissioner Gepner asked about the grant for Richfield Parkway. Assistant Community Development Director Barton stated that the trail improvements would begin this spring, with development to follow in the fall.

Item #9	EXECUTIVE DIRECTOR REPORT
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Executive Director Devich had nothing to report to the HRA.

Item #10	CLAIMS AND PAYROLL
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M/Elliott, S/Gepner, that the following claims and payroll be approved:

U.S. BANK	1/16/17
Section 8 Checks: 128356 - 128439	\$162,903.50
HRA Checks: 32939 - 32971	\$ 57,596.38
TOTAL	\$220,499.88

Commissioner Rubenstein asked about payments to Crossroads at Penn. Community Development Director Stark responded to her questions.

Motion carried 4-0.

ADJOURNMENT

The meeting was adjourned by unanimous consent at 8:20 p.m.

Date Approved: March 20, 2017

Mary B. Supple
HRA Chair

Karen Barton
Acting City Clerk

Steve Devich
Executive Director