



**HOUSING AND REDEVELOPMENT
AUTHORITY MEETING MINUTES
Richfield, Minnesota**

**Special Concurrent City Council, Housing
and Redevelopment Authority and
Planning Commission Work Session**

August 20, 2018

CALL TO ORDER

The work session was called to order by Chair Supple at 6:33 p.m. in the Bartholomew Room.

HRA Members Present: Mary Supple, Chair; Michael Howard; Sue Sandahl; Erin Vrieze Daniels; and Pat Elliot.

Council Members Present: Pat Elliot; Mayor; Edwina Garcia; Michael Howard; Maria Regan Gonzalez; and Simon Trautmann.

Planning Commission Members Present: Sean Hayford Oleary, Chair; Susan Rosenberg; Bryan Pynn; and Kathryn Quam.

Planning Commission Absent: James Rudolph; Daniel Kitzberger; and Allysen Hoberg.

Staff Present: Steven L. Devich, City Manager; John Stark, Community Development Director; Melissa Poehlman, Assistant Community Development Director; and Julie Urban, Housing Manager.

Item #1	HOUSING PROPOSAL ON PORTLAND AVENUE BETWEEN 66TH AND 67TH STREETS
----------------	--

Housing Manager Urban introduced the project and the developer.

Victoria Perbix, Interstate Development, presented an affordable family housing concept near the corner of 66th Street and Portland Avenue. She showed a site plan for the building and a rendering of the exterior.

ADJOURNMENT

The work session was adjourned by unanimous consent at 7:00 p.m.

Date Approved: September 17, 2018

Mary B. Supple
HRA Chair

Kate Aitchison
Housing Specialist

Steven L. Devich
Executive Director



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Regular Meeting

August 20, 2018

CALL TO ORDER

The meeting was called to order by Chair Supple at 7:05 p.m. in the Council Chambers.

HRA Members Present: Mary Supple, Chair; Pat Elliott; Michael Howard; Sue Sandahl; and Erin Vrieze Daniels.

Staff Present: Steve Devich, Executive Director; John Stark, Community Development Director; Julie Urban, Housing Manager; Julie Eddington, HRA Attorney; Chris Regis, Finance Director; Myrt Link, HRA Accountant, and Kate Aitchison, Housing Specialist.

APPROVAL OF THE MINUTES OF THE: (1) SPECIAL CONCURRENT CITY COUNCIL AND HOUSING AND REDEVELOPMENT AUTHORITY MEETING OF JULY 16, 2018; AND (2) REGULAR HOUSING AND REDEVELOPMENT AUTHORITY MEETING OF JULY 16, 2018.

M/Vrieze Daniels, S/Howard to approve the minutes of the: (1) Special concurrent City Council and Housing and Redevelopment Authority meeting of July 16, 2018; and (2) Regular Housing and Redevelopment Authority meeting of July 16, 2018.

Motion carried 5-0.

Item #1	APPROVAL OF THE AGENDA
----------------	-------------------------------

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

Motion carried 5-0.

Item #2	CONSENT CALENDAR
----------------	-------------------------

Executive Director Devich presented the Consent agenda:

- A. Consideration of the adoption of a resolution amending Resolution No. 1199 regarding an advance of certain costs in connection with property located within the Cedar Avenue Tax Increment Financing District. (S.R. No. 28)
- B. Consideration of the adoption of a resolution amending Resolution No. 1300 regarding an advance of certain costs in connection with property located within Tax Increment Financing District 2018-1 (Cedar Point II). (S.R. No. 29)

C. Cancellation of the public hearing regarding the sale of 6310 Irving Avenue to Neighborworks Home Partners, LLC. (S.R. No. 30)

M/Elliott, S/Sandahl to approve of the consent calendar.

Motion carried 5-0.

Item #3	CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM CONSENT CALENDAR
----------------	--

None.

Item #4	PUBLIC HEARING AND CONSIDERATION OF THE ADOPTION OF A RESOLUTION AUTHORIZING THE SALE OF 7300 PORTLAND AVENUE TO TWIN CITIES HABITAT FOR HUMANITY, INC., AND APPROVAL OF A CONTRACT WITH TWIN CITIES HABITAT FOR HUMANITY, INC. FOR THE DEVELOPMENT OF A SINGLE-FAMILY HOME. (S.R. NO. 31)
----------------	---

Housing Specialist Aitchison presented Staff Report No. 31.

Chad Dipman, Land Acquisition Manager for Twin Cities Habitat for Humanity stated he is excited to work with staff and the community to redevelop this property.

M/Sandahl, S/Elliott to close the public hearing

M/Elliott, S/Vrieze Daniels to adopt a resolution authorizing the sale of 7300 Portland Avenue to Twin Cities Habitat for Humanity, Inc., and approve a contract with Twin Cities Habitat for Humanity, Inc. for the development of a single-family home.

Commissioner Vrieze Daniels stated she is happy to see this property is being kept affordable, and is thrilled to see it be sold to Habitat for Humanity

Chair Supple stated liked the new site plan that meet setbacks and pulled the home off of the front property line.

Motion carried 5-0.

Commissioner Sandahl asked how many substandard homes have been purchased by the city.

Housing Manager Julie Urban stated that with Richfield Rediscovered and the New Home Programs combined, the city has purchased over 150 homes.

Item #5	PUBLIC HEARING AND CONSIDERATION OF THE ADOPTION OF A RESOLUTION APPROVING A CONTRACT FOR PRIVATE DEVELOPMENT WITH NHH COMPANIES, LLC FOR REDEVELOPMENT OF THE CEDAR POINT II HOUSING AREA WITH UP TO 80 UNITS OF FOR-SALE TOWNHOMES. (S.R. NO. 32)
----------------	--

Housing Manager Urban presented Staff Report No. 32.

Commissioner Vrieze Daniels asked if there were any milestones that the developer did not meet. Housing Manager Urban stated that the plan to apply to Minnesota Housing for financing assistance didn't work, but that they plan to apply next year.

Commissioner Vrieze Daniels asked if the HRA is essentially agreeing to splitting the projects into two separate pieces. Housing Manager Urban responded yes.

Commissioner Vrieze Daniels asked for clarification on the strategy of splitting the district if the affordability requirement is being met. Housing Manager Urban explained the rationale for splitting the project in order to meet affordability requirements with the townhome portion of the project, and leaving the apartment building market-rate. Community Development Director John Stark stated the developer is trying to differentiate from the Chamberlaine’s product, and that they are looking at the whole site cumulatively, despite splitting the project into two components.

Commissioner Elliott stated he is in support of the affordable component being in homeownership opportunities rather than rental.

Commissioner Howard stated he would like to see affordability on the rental side as well. He asked if that has been explored by the developer. Community Development Director John Stark stated that they have been discussing it with the developer, but it would likely require the city to put more funding into the project.

Chair Supple asked if the developer has obtained the purchase agreements needed to make the start of construction possible. Housing Manager Urban replied that all the homes on the 6300 block have purchase agreements and construction would be able to move forward.

Tony Simmons, developer with NHH Properties, stated that they hope to create diversity in housing stock by bringing a high-end product to city.

M/Sandahl, S/Elliott to close public hearing.

Motion carried 5-0.

M/Elliott, S/Vrieze Daniels to adopt a resolution approving a Contract for Private Development with NHH Companies, LLC for the Cedar Point II Housing area and selling HRA owned properties located within the development area to NHH Companies, LLC.

Commissioner Howard stated these are opportunities to educate themselves and public about TIF. He asked for clarification on the TIF benefits to the city. Community Development Director John Stark briefly explained Tax Increment Financing.

Commissioner Howard stated his support for all the parties moving forward, but would like to see more affordability in the rental units. Community Development Director John Stark stated that staff will continue to look into affordability and that the developer has done a great job communicating with the neighborhoods. Commissioner Vrieze Daniels stated her agreement in looking into the affordability of the apartments.

Motion carried 5-0.

Item #6	CONTINUE THE PUBLIC HEARING ON THE SALE OF PROPERTY AND CONSIDERATION OF A CONTRACT FOR PRIVATE DEVELOPMENT WITH NHH COMPANIES, LLC FOR REDEVELOPMENT OF THE CEDAR POINT II HOUSING AREA WITH 218 UNITS OF APARTMENTS TO SEPTEMBER 17, 2018. (S.R. NO. 33)
----------------	---

Housing Manager Urban presented Staff Report No. 33.

M/Sandahl, S/Elliott to continue the public hearing to September 17, 2018.

Chair Supple stated her support for the project, acknowledging that there’s currently a shortage of rental housing and a very low vacancy rate. Housing Manager Urban stated that postponing the second contract until September will not impede any progress for the overall project.

Motion carried 5-0.

Item #7	CONSIDERATION OF THE APPROVAL OF AN ASSIGNMENT OF A HOUSING AND REDEVELOPMENT AUTHORITY TRANSFORMATION HOME LOAN AT 6701 WASHBURN AVENUE TO EQUIHANCE PARTNERS, LLC AND THE EXECUTION OF ALL RELATED DOCUMENTS BY THE EXECUTIVE DIRECTOR AND BOARD CHAIR. (S.R. NO. 34)
----------------	--

Housing Specialist Kate Aitchison presented Staff Report No. 34.

M/Sandahl, S/Howard to approve an assignment of a Housing and Redevelopment Authority lien against 6701 Washburn Avenue to Equihance Partners, LLC for \$2,800 and the execution of all related documents by the Executive Director and Board Chair.

Commissioner Sandahl stated her support for this type of action on foreclosed properties and HRA liens.

Motion carried 5-0.

Item #8	CONSIDERATION OF THE ADOPTION OF A RESOLUTION AUTHORIZING THE PURCHASE OF REAL PROPERTY LOCATED AT 6501 PENN AVENUE, PENDING A FINDING OF CONSISTENCY BY THE RICHFIELD PLANNING COMMISSION. (S.R. NO. 35)
----------------	--

Community Development Director John Stark presented Staff Report No. 35.

Commissioner Elliott shared his concerns over the grade of the property and the high cost of the land. Community Development Director Stark stated his confidence in the Penn Corridor and explained a number of options for parking and redevelopment.

Commissioner Sandahl stated her support for this investment in the Penn Central area.

Commissioner Vrieze Daniels said she hopes to do something creative on this site and not hold it too long.

Executive Director Devich recalled many discussions about this property over the years. It is a significant site in terms of size, and we need to take control of it is not left as-is. He stated it could be very prominent and a great opportunity.

M/Sandahl, S/Howard to adopt a resolution authorizing the purchase of real property located at 6501 Penn Avenue, pending a finding of consistency by the Richfield Planning Commission.

Commissioner Vrieze Daniels asked about the contingency request of the seller. Community Development Director Stark clarified the requests of the sellers.

Motion carried 5-0.

Item #9	CONSIDERATION OF THE ADOPTION OF RESOLUTIONS REGARDING THE MODIFICATION OF THE REDEVELOPMENT PLAN FOR THE RICHFIELD REDEVELOPMENT PROJECT AREA, THE MODIFICATION TO THE TAX INCREMENT FINANCING PLAN FOR THE CEDAR AVENUE TAX INCREMENT FINANCING DISTRICT, AND THE ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 2018-1. (S.R. NO. 36)
----------------	--

Housing Manager Julie Urban presented Staff Report No. 36.

Chair Supple asked if the item should have two separate motions. Housing Manager Urban responded that two motions were required.

Commissioner Vrieze Daniels asked for further clarification on the need to separate the two components. Housing Manager Urban stated that the development teams differ for each component, and that the financials need to pencil out on each side. Community Development Director Stark explained the various types of TIF districts, and explained how they functioned with this project.

M/Supple, S/Sandahl to adopt a resolution adopting a modification to the Tax Increment Financing Plan for the Cedar Avenue Tax Increment Financing District within the Richfield Redevelopment Project Area.

Motion carried 5-0.

M/Sandahl, S/Elliott to adopt a resolution adopting a modification to the Redevelopment Plan for the Richfield Redevelopment Project Area and establishing Tax Increment Finance District No. 2018-1 therein and the adoption of the Tax Increment Financing Plan therefor.

Motion carried 5-0.

Item #10	CONSIDERATION OF THE ADOPTION OF RESOLUTIONS APPROVING PROPOSED PROPERTY TAX LEVY FOR PAYABLE 2019 FOR CERTIFICATION TO HENNEPIN COUNTY. (S.R. NO. 37)
-----------------	---

Community Development Director John Stark presented Staff Report No. 37.

Commissioner Sandahl stated her experience previously on the HRA when the full amount was levied, and stated she supported staff but was concerned about leaving funds unlevied.

Executive Director Devich stated the amount left over was about \$8,900, which would be a minimal impact on a typical Richfield household. He stated it is the HRA's decision.

Commissioner Vrieze Daniels stated she supports either taking the full amount, or reducing it significantly to truly save homeowners money.

Commissioner Howard stated is support for the staff recommendation.

Community Development Director Stark explained the budget process and approach.

Chair Supple, Commissioner Elliott and Commissioner Vrieze Daniels stated they would support the staff's recommendation.

Commissioner Howard asked how does the environment that we're in now (in terms of redevelopment) shape the HRA budget. Community Development Director Stark stated the biggest threat to HRA is that some of the larger TIF districts in the community will expire in the future. Additionally, the tax impacts of new developments will be good for the community. Executive Director Devich agreed on this statement.

M/Howard, S/Vrieze Daniels to adopt resolutions approving the 2019 Proposed Housing and Redevelopment Authority Budget and Tax Levy and 2018 Revised Housing and Redevelopment Authority Budget.

Motion carried 5-0.

Item #11	HRA DISCUSSION ITEMS
-----------------	-----------------------------

Commissioner Vrieze Daniels asked for an update on the 2018 Home Tour.

Housing Specialist Aitchison stated that it has been cancelled due to a lack of available participants.

Item #12	EXECUTIVE DIRECTOR REPORT
-----------------	----------------------------------

None.

Item #13	CLAIMS AND PAYROLL
-----------------	---------------------------

M/Sandahl, S/Elliott that the following claims and payroll be approved:

U.S. BANK	8/20/2018
Section 8 Checks: 129961-130041	\$155,887.20
HRA Checks: 33490-33511	\$ 95,227.52
TOTAL	\$251,114.72

Motion carried 5-0.

ADJOURNMENT

The meeting was adjourned by unanimous consent at 8:21 p.m.

Date Approved: September 17, 2018

Mary B. Supple
HRA Chair

Kate Aitchison
Housing Specialist

Steven L. Devich
Executive Director