



# HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

## Regular Meeting

### September 17, 2018

**CALL TO ORDER**

The meeting was called to order by Chair Supple at 7:04 p.m. in the Council Chambers.

*HRA Members Present:* Mary Supple, Chair; Pat Elliott (arrived at 7:43 p.m.); Michael Howard; and Sue Sandahl

*HRA Members Absent:* Erin Vrieze Daniels

*Staff Present:* Steve Devich, Executive Director; John Stark, Community Development Director; Julie Urban, Housing Manager; Julie Eddington, HRA Attorney; 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/Sandahl, S/Howard to approve the minutes of the: (1) Special concurrent City Council, Housing and Redevelopment Authority, and Planning Commission meeting of August 20, 2018; and (2) Regular Housing and Redevelopment Authority meeting of August 20, 2018.

Motion carried 3-0.

<b>Item #1</b>	<b>APPROVAL OF THE AGENDA</b>
----------------	-------------------------------

M/Howard, S/Sandahl to approve the agenda.

Motion carried 3-0.

<b>Item #2</b>	<b>CONSENT CALENDAR</b>
----------------	-------------------------

Executive Director Devich presented the Consent agenda:

- A. Consideration of the approval of a contract with TMS Companies, Inc. for the demolition of 1430 66th Street East (El Jalapeno Market) (S.R. No. 38)

B. Consideration of the adoption of a resolution approving a subordination agreement related to Cedar Point II. (S.R. No. 39).

Executive Director Devich noted that an updated resolution had been provided for item B with an updated name.

M/Sandahl, S/Howard to approve of the consent calendar with amended changes.

Motion carried 3-0.

<b>Item #3</b>	<b>CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM CONSENT CALENDAR</b>
----------------	--

None.

<b>Item #4</b>	<b>CONSIDERATION FO THE ADOPTION OF A RESOLUTION AMENDING THE BYLAWS OF THE RICHFIELD HOUSING AND REDEVELOPMENT AUTHORITY.</b>
----------------	--

Executive Director Steve Devich presented Staff Report No. 40.

Executive Director Devich stated that upon his retirement as City Manager, a number of housekeeping changes to the Housing and Redevelopment Authority bylaws have been recommended.

Commissioner Sandahl stated that the bylaws should be clarified with the addition of some language to item 5. It should read "Regardless of who is appointed as the Executive Director of the HRA, the City Manager of the City of Richfield shall..."

Chair Supple asked if a similar action will be taken with the Economic Development Authority. Community Development Director John Stark stated that the EDA will have similar considerations to make.

M/Sandahl, S/Howard to adopt a resolution amending the bylaws of the Richfield Housing and Redevelopment Authority.

Motion carried 3-0.

<b>Item #5</b>	<b>CONSIDERATION OF THE ADOPTION OF A RESOLUTION APPROVING AN AMENDED CONTRACT FOR PRIVATE DEVELOPMENT WITH CEDAR POINT INVESTMENTS, LLC FOR REDEVELOPMENT OF THE CEDAR POINT II HOUSING AREA WITH UP TO 80 UNITS OF FOR-SALE TOWNHOMES.</b>
----------------	--

Housing Manager Julie Urban presented Staff Report No. 41.

Commissioner Sandahl asked for an update on the purchase of the remaining homes on 16th Avenue in the redevelopment area. Housing Manager Urban answered that the developers have Purchase Agreements on 8 of the 11 homes, and 2 offers are currently being considered. The final home will need a bit more time for personal reasons of the homeowner.

M/Howard, S/Sandahl, to adopt a resolution approving an amended Contract for Private Development with Cedar Point Investments, LLC for the Cedar Point II Housing area.

Motion carried 3-0.

<b>Item #6</b>	<b>PUBLIC HEARING AND CONSIDERATION OF THE ADOPTION OF A RESOLUTION APPROVING A CONTRACT FOR PRIVATE DEVELOPMENT WITH NHH COMPANIES, LLC FOR THE REDEVELOPMENT OF CEDAR POINT II HOUSING AREA WITH 218 UNITS OF APARTMENTS</b>
----------------	--

Housing Manager Julie Urban presented Staff Report No. 42.

Commissioner Howard asked for clarification on what the 9.5% average contribution to the Redevelopment Fund means for affordable housing. Housing Manager Urban stated that the developers did attempt to create some affordable rental units, but in the course of the ‘but for’ analysis, found that the project was not viable with that component. A total of \$486,000 will be contributed to the Housing and Redevelopment Fund over the course of the TIF period. The contributions will start during year 8 and will be approximately \$40,000 per year, to be used for other affordable housing work in the community. In the last few years, the payments will increase substantially to cover the \$486,000. The funds will be used on TIF-eligible expenses in the community.

Commissioner Howard asked the developers to share their insights.

Tony Simmons, of NHH Properties stated that given the current housing market, the rents charged do not fully cover the cost of building new apartment buildings. More city assistance would be needed to lower the rents to accommodate affordable housing rents, in order to even qualify for financing of the project.

Commissioner Howard stated that he understands the challenges of this site and development. He will support this project moving forward, and stated his acknowledgement that affordable housing will continue to be a challenge in our community.

M/Sandahl, S/Howard to close the public hearing.

Motion carried 3-0.

M/Sandahl, S/Howard 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 within the development area to NHH Companies, LLC.

Commissioner Sandahl stated that even if we do not see affordability in the apartment units, there is still an overall affordability of 25% on the project, which is very good and meets our overall goals.

Motion carried 3-0.

<b>Item #7</b>	<b>CONSIDERATION OF THE ACCEPTANCE OF THE RICHFIELD HOUSING AND REDEVELOPMENT AUTHORITY TAX INCREMENT DISTRICT STATUS UPDATE</b>
----------------	--

Executive Director Devich asked Rebecca Kurtz of Ehlers and Associates to present the Tax Increment District Status Update.

Commissioner Elliott arrived at 7:43 p.m.

M/Howard, S/Sandahl to accept the Richfield Housing and Redevelopment Authority Tax Increment District Status Update.

Motion carried 4-0.

Executive Director Devich added that TIF is an important tool for redevelopment. It helps when it comes back into the community with a big impact on the tax base.

Commissioner Sandahl stated that people are finally coming to Richfield and seeing the evidence of the work done with Tax Increment Financing, and it is being reflected in our housing market.

<b>Item #8</b>	<b>CONSIDERATION OF THE APPOINTMENT OF A NEW EXECUTIVE DIRECTOR OF THE HOUSING AND REDEVELOPMENT AUTHORITY TO SERVE FOLLOWING THE RETIREMENT OF CURRENT EXECUTIVE DIRECTOR STEVE DEVICH</b>
----------------	---

Executive Director Devich presented Staff Report No. 44.

Executive Director Devich stated that the Executive Director of the HRA does not have to be the City Manager. Staff is recommending Community Development Director John Stark to act as Executive Director for the remainder of 2018 and through 2019 for consistency.

M/Elliott, S/Howard to appoint Community Development Director John Stark as Executive Director of the Richfield Housing and Redevelopment Authority following the retirement of current Executive Director Steve Devich for a term lasting until the regular meeting of the HRA in January 2020.

Chair Supple stated her thanks and well wishes to Executive Director Devich and her support for Community Development Director John Stark.

Commissioner Elliott stated that during the transition in the coming months, continuity is imperative.

Motion carried 4-0.

<b>Item #9</b>	<b>HRA DISCUSSION ITEMS</b>
----------------	-----------------------------

Commissioner Howard discussed the stream of positive stories in the media covering Richfield recently, on Fox 9 News, The Star Tribune and Kare11.

Commissioner Sandahl stated she was told by a resident that the Ice Arena and Pool need landscaping, and suggested that it be considered as the bandshell project goes through landscaping.

Commissioner Elliott stated his excited for the new restaurant opening at 66th and Penn Avenue that will serve all-day breakfast.

<b>Item #10</b>	<b>EXECUTIVE DIRECTOR REPORT</b>
-----------------	----------------------------------

No report was offered.

<b>Item #13</b>	<b>CLAIMS AND PAYROLL</b>
-----------------	---------------------------

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

<b>U.S. BANK</b>	<b>9/17/2018</b>
Section 8 Checks: 130042-130124	\$164,176.50
HRA Checks: 33512-33530	\$80,727.55
<b>TOTAL</b>	<b>\$244,904.05</b>

Motion carried 4-0.

<b>ADJOURNMENT</b>
--------------------

The meeting was adjourned by unanimous consent at 7:56 p.m.

Date Approved: October 15, 2018

---

Mary B. Supple  
HRA Chair

---

Kate Aitchison  
Housing Specialist

---

Steven L. Devich  
Executive Director