



**SPECIAL HOUSING AND REDEVELOPMENT AUTHORITY MEETING
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS
JULY 12, 2022
6:15 PM**

Call to Order

AGENDA APPROVAL

1. Approval of the Agenda

RESOLUTIONS

2. Consideration of a resolution supporting a tax credit application for a proposed mixed-use development by Minnesota Independence College and Community, located at 2000, 2006 and 2018 - 76th Street West and 7532 Morgan Avenue South.

Staff Report No. 24

3. Adjournment

Auxiliary aids for individuals with disabilities are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at 612-861-9739.



STAFF REPORT NO. 24
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
7/12/2022

REPORT PREPARED BY: Julie Urban, Asst. Community Development Director

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Executive Director
7/7/2022

ITEM FOR COUNCIL CONSIDERATION:

Consideration of a resolution supporting a tax credit application for a proposed mixed-use development by Minnesota Independence College and Community, located at 2000, 2006 and 2018 - 76th Street West and 7532 Morgan Avenue South.

EXECUTIVE SUMMARY:

Minnesota Independence College and Community (MICC) is proposing to construct a new building with 29,271 square feet of office and classroom space and up to 59 affordable housing units on property they own on 76th Street West, between Morgan and Newton Avenues. All of the housing units would be priced at 50% of the Area Median Income (AMI) and provided in a mix of one, two, and three bedroom units.

MICC is applying for federal tax credits in order to finance the development. They are also seeking financial assistance from the Housing and Redevelopment Authority (HRA) through the creation of a Tax Increment Financing (TIF) District and issuance of a pay-as-you-go note. The project has a gap that the developer could partially fill with TIF generated by the new development. The City's financial consultant has determined that the project generates a present value of \$817,032 in TIF over 26 years and that the project warrants this funding given the high cost of redevelopment and providing 100% affordable units.

A resolution committing the HRA's financial support is required for the tax credit application; however, a more detailed analysis of the project finances will be completed before the HRA actually awards TIF through a development agreement.

RECOMMENDED ACTION:

By motion: Approve a resolution supporting a tax credit application for a proposed mixed-use development by Minnesota Independence College and Community, located at 2000, 2006 and 2018 - 76th Street West and 7532 Morgan Avenue South.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- Minnesota Independence College and Community is a 501(c)3 nonprofit vocational and life training program for young adults with learning differences and autism spectrum disorder. Since its founding in 1996, MICC has remained dedicated to helping participants make successful transitions towards independent living and financial self-sufficiency.

- MICC has operated from the Colony Apartments in Richfield since its inception in 1996.
- On Monday, June 21, 2021, at a joint work session of the City Council, HRA, and Planning Commission, MICC and partners from Bumpy Lane, LLC (Developers) presented conceptual plans for the development of a mixed use building including services and affordable/accessible apartments.
- The HRA adopted a Resolution of support for the project concept at their August 16, 2021 meeting.
- In January 2022, the project was awarded Livable Communities Demonstration Account (LCDA) funding, including funds to acquire an additional property. LCDA funds are awarded to municipalities and can be used toward eligible project activities.
- On April 18, 2022, the HRA approved a Preliminary Development Agreement with MICC.

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

- The 2040 Comprehensive Plan calls for a full range of housing choices that meets residents' needs at every stage of their lives, and ensures a healthy balance of housing types that meets the needs of a diverse population with diverse needs.
- Federal tax credit applications are funded based on how well a project scores and is in alignment with the State's Qualified Allocation Plan (QAP). Projects that maximize local funding sources are more competitive for tax credits.
- The proposed affordability of the project exceeds the requirements of the City's Inclusionary Housing Policy as well as state statute relating to the creation of a housing TIF district. In addition to 100% of the units being affordable at 50% of the AMI, in a mix of bedroom sizes, four of the 59 units (6.7%) will be accessible.

C. CRITICAL TIMING ISSUES:

- The tax credit application is due July 14, 2022.

D. FINANCIAL IMPACT:

- MICC is applying to Minnesota Housing for \$11.5 million in federal tax credits.
- The project is expected to generate approximately \$817,032 in TIF over 26 years. The project has identified a need for the assistance.
- A more detailed financial analysis of the project will be completed before the HRA is asked to award TIF through a development agreement.

E. LEGAL CONSIDERATION:

- The tax credit application requires that satisfactory documentation confirming that the contribution is committed to the development be submitted at the time of application. The documentation must include a resolution from the local government unit indicating its intention to provide TIF or property tax abatement assistance. The anticipated amount must be included in the resolution or a letter from the local government unit.

ALTERNATIVE RECOMMENDATION(S):

Do not authorize support of the tax credit application.

PRINCIPAL PARTIES EXPECTED AT MEETING:

Representative(s) of MICC

ATTACHMENTS:

Description	Type
□ Resolution	Resolution
Map	Exhibit

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

RESOLUTION NO. _____

**RESOLUTION SUPPORTING A TAX CREDIT APPLICATION FOR
A MULTIFAMILY HOUSING PROJECT**

WHEREAS, Minnesota Independence College and Community, a Minnesota nonprofit corporation (the “Redeveloper”), owns the property located at 2000, 2006, and 2018 West 76th Street, and 7532 Morgan Avenue South, Richfield, Minnesota (the “Redevelopment Property”); and

WHEREAS, the Redeveloper proposes to demolish the building(s) on the Redevelopment Property and construct on the Redevelopment Property a building with approximately 59 affordable housing units and office and classroom space (the “Project”); and

WHEREAS, the Redeveloper and the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the “Authority”) have been engaged in discussion regarding the Project and the proposed creation of a housing tax increment financing district including the Redevelopment Property or the use of pooled tax increment from the Affordable Housing Trust Fund; and

WHEREAS, the Redeveloper has presented the proposed Project to the Board of Commissioners (the “Board”) of the Authority and has received support of the Board; and

WHEREAS, on April 18, 2022, the Authority entered into a Preliminary Redevelopment Agreement with the Redeveloper, which sets forth the Redeveloper’s intentions and the conditions under which the Redeveloper will undertake the Project; and

WHEREAS, the Project has been awarded a Livable Communities Demonstration Account grant from the Metropolitan Council in the principal amount of \$1,210,000; and

WHEREAS, the success of the tax credit application for the Project is predicated on local support of the proposal; 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 Board supports the application for the tax credits for the Project.
2. The Authority and the City of Richfield, Minnesota (the “City”) intend to establish a housing tax increment district for the Project with a maximum term of 26 years.
3. The Board supports the use of tax increment financing for the Project in the approximate amount of up to \$817,032; however, the Board and the City Council of the City must complete all of the legally required proceedings set forth in Minnesota Statutes, Section 469.029 and Sections 469.174 through 469.1794, all as amended.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 18th day of July, 2022.

Mary B. Supple, Chair

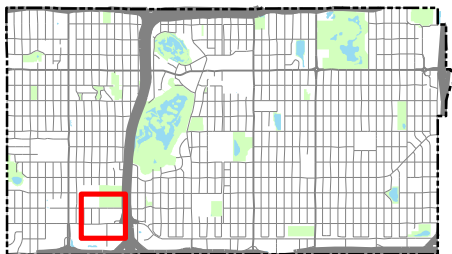
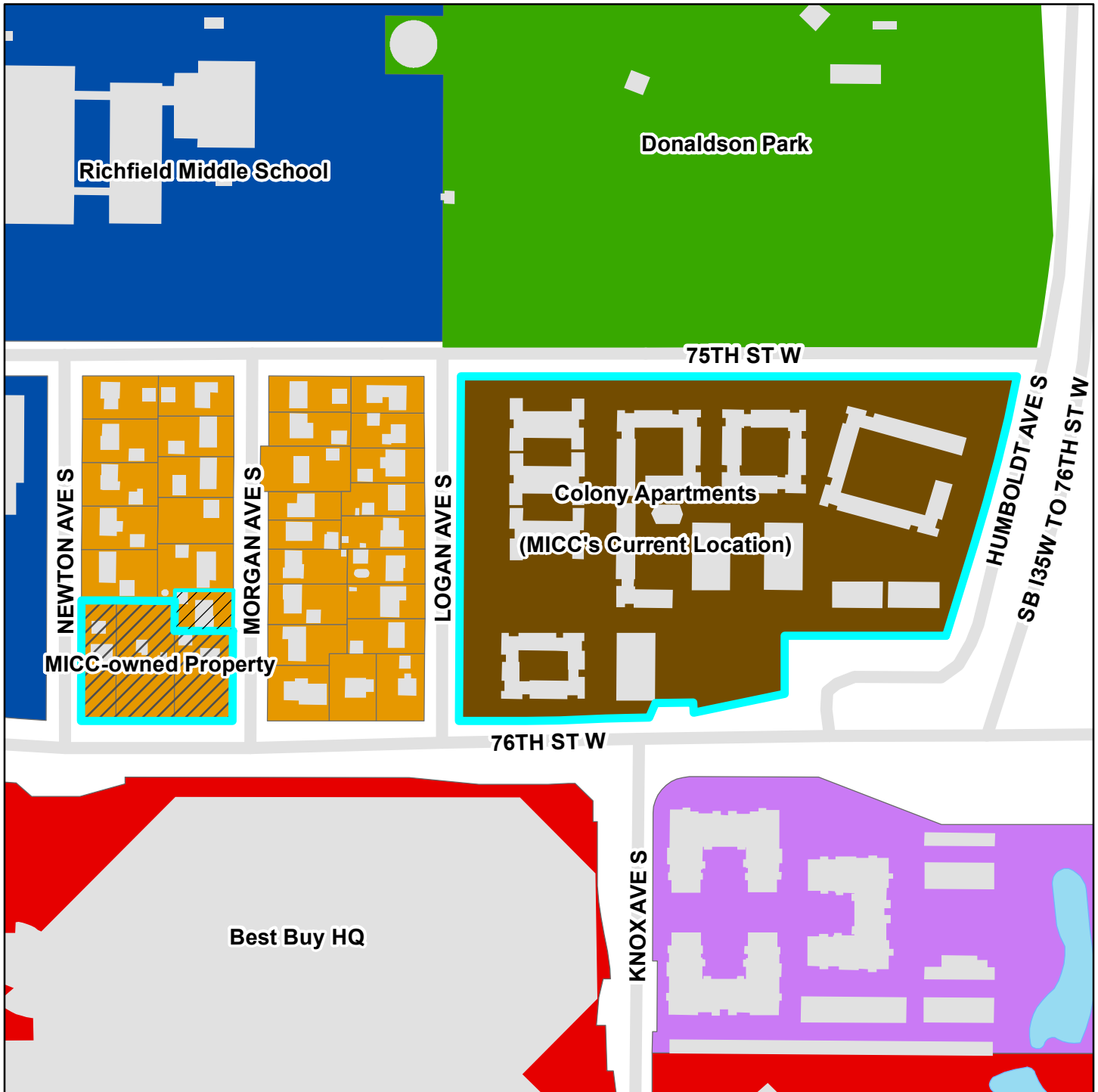
ATTEST:

Maria Regan Gonzalez, Secretary













Minnesota Independence College and Community

2040 Comprehensive Plan Designations



-  MICC Current Location
-  MICC Owned Properties

2040 Comprehensive Plan Designations

- | | |
|--|--|
|  Mixed Use |  Medium Density Residential |
|  Regional Commercial |  Low Density Residential |
|  Community Commercial |  Park |
|  Neighborhood Commercial |  Quasi-Public |
|  High Density Residential |  Right-of-Way (ROW) |

