



**REGULAR HOUSING AND REDEVELOPMENT AUTHORITY MEETING  
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS  
SEPTEMBER 19, 2022  
7:00 PM**

Call to Order

Open Forum

***Each speaker is to keep their comment period to three minutes to allow sufficient time for others. Comments are to be an opportunity to address the HRA. Please refer to the HRA agenda and minutes web page for additional ways to submit comments. You may also call 612-861-9764 or email ldubois@richfieldmn.gov with questions. Call into the open forum by dialing 1-415-655-0001 Use webinar access code: 2458 864 8733 and password: 1234.***

Approval of the minutes of the Regular Housing and Redevelopment Authority meeting of August 15, 2022.

**PRESENTATIONS**

1. Consideration of acceptance of the Management Review & Analysis of Tax Increment Financing Districts Report.  
Staff Report No. 28

**AGENDA APPROVAL**

2. Approval of the Agenda
3. **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. Consider an adjustment to the payment standard for the Section 8 Housing Choice Voucher Program.  
Staff Report No. 29

4. Consideration of items, if any, removed from Consent Calendar

**HRA DISCUSSION ITEMS**

5. HRA Discussion Items

**EXECUTIVE DIRECTOR REPORT**

6. Executive Director's Report

**CLAIMS**

7. Claims

8. 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.**



# HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

## Regular Meeting

## August 15, 2022

### CALL TO ORDER

The meeting was called to order by Chair Supple at 7:00 p.m. in the Council Chambers.

*HRA Members Present:* Mary Supple, Chair; Erin Vrieze Daniels, Vice Chair; and Gordon Hanson

*HRA Members Absent:* Maria Regan Gonzalez and Lee Ohnesorge

*Staff Present:* Melissa Poehlman, Executive Director/Community Development Director; Myrt Link, Community Development Accountant; Kumud Verma, Finance Manager; and Kari Sinning, City Clerk

*Others Present:* None

### OPEN FORUM

Chair Supple provided instructions to call in for the open forum and asked if there was anyone in attendance.

Ruane Onesirosan, 2421 W 65<sup>th</sup> St, read a letter that she sent to the candidates for the Council Member At Large regarding the ownership of land to businesses or corporations.

### APPROVAL OF THE MINUTES

M/Vrieze Daniels, S/Hanson to approve the minutes of the: 1) Joint City Council, Housing and Redevelopment Authority, and Planning Commission Work Session of May 10, 2022; 2) the Regular Housing and Redevelopment Authority Meeting of June 21, 2022; and 3) the Special Housing and Redevelopment Authority Meeting of July 12, 2022.

Motion carried: 3-0

ITEM #1	APPROVAL OF THE AGENDA
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M/Vrieze Daniels, S/Hanson to approve the agenda.

Chair Supple noted that there will be a presentation regarding the budget during the item.

Motion carried: 3-0

<b>ITEM #2</b>	<b>CONSENT CALENDAR</b>
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Executive Director Poehlman presented the Consent Calendar:

- A. Consideration of a resolution authorizing the use of Hennepin County Affordable Housing Initiative Funds in Richfield by the West Hennepin Affordable Housing Land Trust. (Staff Report No. 25)

**HRA RESOLUTION NO. 1438**

**RESOLUTION APPROVING THE PARTICIPATION OF THE  
HENNEPIN COUNTY HOUSING AND REDEVELOPMENT  
AUTHORITY IN AN AFFORDABLE HOUSING PROJECT**

M/Vrieze Daniels, S/Hanson to approve the Consent Calendar.

Motion Carried 3-0

<b>ITEM #3</b>	<b>CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM THE CONSENT CALENDAR</b>
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None.

<b>ITEM #4</b>	<b>CONSIDER A RESOLUTION TO ACQUIRE REDEVELOPMENT PROPERTY AT 1710 - 78TH STREET EAST FROM THE CITY OF RICHFIELD. (STAFF REPORT NO. 26)</b>
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Director Poehlman presented Staff Report No. 26.

Commissioner Vrieze Daniels asked about the property that is owned by the Mathwig family. Director Poehlman stated that the family asked that the City take the lead on promoting the development of the properties together.

M/Vrieze Daniels, S/Hanson to approve a resolution authorizing the acquisition of certain property within the City of Richfield.

**HRA RESOLUTION NO. 1439**

**RESOLUTION AUTHORIZING THE ACQUISITION OF CERTAIN  
PROPERTY WITHIN THE CITY OF RICHFIELD**

Motion Carried: 3-0

<b>ITEM #5</b>	<b>CONSIDER RESOLUTIONS APPROVING PROPOSED 2023 PROPOSED HOUSING AND REDEVELOPMENT AUTHORITY BUDGET AND TAX LEVY AND 2022 REVISED HOUSING AND REDEVELOPMENT AUTHORITY BUDGET (STAFF REPORT NO. 27)</b>
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Director Poehlman presented a brief presentation that outlined the HRA staff, revised 2022 and the 2023 proposed budget, the HRA Levy, the highlights from 2022, and the 2023 initiatives and goals.

Chair Supple thanked staff for the budget report, particularly Finance Manager Verma and Community Development Accountant Link.

Commissioner Vrieze Daniels agreed that investing in staff is important and asked about the timeline if the approval of the levy could wait until after the TIF management plan is created. Director Poehlman stated that the levy has to be adopted by the HRA by September 30<sup>th</sup> and this is a preliminary budget and it would be brought back to the Authority for final consideration at the end of the year. Commissioner Vrieze Daniels wondered if the small increases of the budget over time would offset the TIF districts ending. Director Poehlman stated that the small increases would be ideal and that if they were to have no increase that we would have to cut funding for staff development since it is funded by the general fund.

Commissioner Hanson asked about the typical impact on the tax payer. Director Poehlman stated that they would have to look it up but stated that it was relatively small increase. Commissioner Hanson also asked about hiring professionals in community development. Director Poehlman stated that there have been significant challenges on hiring due to the applicant pools being much smaller.

Chair Supple asked if the Housing Trust Fund would also be approved at the City Council on September 13<sup>th</sup> and Director Poehlman stated that it would be. Chair Supple also commented on the hiring of the Economic Development Manager position and gave kudos for the long-term planning for the budget and new software for increased efficiency in the department.

Commissioner Vrieze Daniels made a motion to table the resolutions until we get more information. Commissioner Hanson asked if tabling would cause a delay in the process and Chair Supple asked if the City Council would vote on portions of the HRA budget. Director Poehlman stated that the City Council would only be voting on the affordable housing trust and that these resolutions only set the max for the tax levy and it could be reduced. Commissioner Vrieze Daniels withdrew her motion.

M/Hanson, S/Supple to adopt the attached resolutions approving the 2023 Proposed Housing and Redevelopment Authority Budget and Tax Levy and 2022 Revised Housing and Redevelopment Authority Budget.

**HRA RESOLUTION NO. 1440**

**RESOLUTION APPROVING PROPOSED 2023 HOUSING AND REDEVELOPMENT AUTHORITY BUDGET AND CERTIFYING THE 2023 TAX LEVY**

**HRA RESOLUTION NO. 1441**

**RESOLUTION AUTHORIZING REVISION OF THE 2022 BUDGET OF THE HOUSING AND REDEVELOPMENT AUTHORITY OF RICHFIELD**

Chair Supple stated that it is important to note that it can be reduced.

Commissioner Hanson stated that the option to reduce made him feel more comfortable about approving the proposed levy and requested that in the future the impacts on the typical house in Richfield to be provided.

Chair Supple commended the staff on not proposing the max levy. Commissioner Hanson echoed.

Motion Carried: 3-0

<b>ITEM #6</b>	<b>HRA DISCUSSION ITEMS</b>
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Commissioner Vrieze Daniels expressed excitement for the demolition of 6501 Penn finally starting.

Chair Supple asked if 6501 Penn would be demolished before Penn Fest. Director Poehlman stated that it is the goal to get the building down and fenced off for Penn Fest and shared the reasoning for the delay of demolition was to help protect the groundwater.

<b>ITEM #7</b>	<b>EXECUTIVE DIRECTOR REPORT</b>
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Director Poehlman did not have a report.

<b>ITEM #8</b>	<b>CLAIMS</b>
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M/Vrieze Daniels, S/Hanson that the following claims be approved:

<b><u>U.S. BANK</u></b>	<b><u>7/18/2022</u></b>
Section 8 Checks: 133962 – 134040	\$184,675.24
HRA Checks: 34215 – 34226	<u>\$30,140.03</u>
<b>TOTAL</b>	<b>\$214,815.27</b>

<b><u>U.S. BANK</u></b>	<b><u>8/15/2022</u></b>
Section 8 Checks: 134041 – 134123	\$192,551.12
HRA Checks: 34227 – 34242	<u>\$117,321.20</u>
<b>TOTAL</b>	<b>\$309,872.32</b>

Motion carried: 3-0

<b>Item #9</b>	<b>ADJOURNMENT</b>
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The meeting was adjourned by unanimous consent at 7:51 p.m.

Date Approved: September 19, 2022

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Mary B. Supple  
HRA Chair

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Kari Sinning  
City Clerk

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Melissa Poehlman  
Executive Director



**STAFF REPORT NO. 28**  
**HOUSING AND REDEVELOPMENT AUTHORITY**  
**MEETING**  
**9/19/2022**

REPORT PREPARED BY: Myrt Link, Community Development Accountant  
OTHER DEPARTMENT REVIEW: N/A

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Executive Director  
9/14/2022

**ITEM FOR COUNCIL CONSIDERATION:**

**Consideration of acceptance of the Management Review & Analysis of Tax Increment Financing Districts Report.**

**EXECUTIVE SUMMARY:**

Typically, an annual Tax Increment Financing (TIF) District Status Update is presented to the Housing and Redevelopment Authority (HRA) Board each year. This year, the HRA approved the preparation of a more-robust Management Review & Analysis Report (Management Report). The Management Report provides a review of TIF as a development tool, tax base impacts after decertification, outstanding obligations, pooling, and more. It also looks at all 13 active TIF Districts to assess opportunities, challenges, and any compliance issues with those Districts.

Senior Municipal Advisory Rebecca Kurtz from Ehlers will walk the Board through the highlights of the Management Report.

**RECOMMENDED ACTION:**

**By motion: Accept the Management Review & Analysis of Tax Increment Financing Districts Report.**

**BASIS OF RECOMMENDATION:**

A. **HISTORICAL CONTEXT**

- N/A

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

- N/A

C. **CRITICAL TIMING ISSUES:**

- None

D. **FINANCIAL IMPACT:**

- All of the TIF Districts have positive Fund Balances and are able to meet their outstanding obligations.

E. **LEGAL CONSIDERATION:**

- N/A

**ALTERNATIVE RECOMMENDATION(S):**

- None

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

Rebecca Kurtz, Ehlers, Inc.





**STAFF REPORT NO. 29**  
**HOUSING AND REDEVELOPMENT AUTHORITY**  
**MEETING**  
**9/19/2022**

REPORT PREPARED BY: Lynnette Chambers, Multifamily Housing Coordinator

OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: Melissa Poehlman, Executive Director  
9/13/2022

**ITEM FOR COUNCIL CONSIDERATION:**

**Consider an adjustment to the payment standard for the Section 8 Housing Choice Voucher Program.**

**EXECUTIVE SUMMARY:**

On an annual basis, the U.S. Department of Housing and Urban Development (HUD) establishes a Fair Market Rent (FMR) for the Twin Cities Metropolitan Area, by bedroom size. Individual Housing and Redevelopment Authorities are allowed to select a payment standard within 90% to 110% of HUD's FMR. The selection of the payment standard should ensure that a sufficient supply of rental housing is available to Section 8 Housing Choice Voucher Program (Program) participants. HUD's newly published FMRs have increased and the Housing and Redevelopment Authority's (HRA) current payment standards do not fit within the established parameters. To remain in compliance with HUD regulations, the HRA must increase its payment standards. The proposed payment standards will fall between 90% to 98% of the current FMRs.

**RECOMMENDED ACTION:**

**By motion: Approve the proposed adjustment of the payment standard for the Section 8 Housing Choice Voucher Program.**

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

- The HRA last adjusted its payment standards in September 2021.

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

- Section 8 participants currently living in one and two bedroom units will receive a larger portion of rent assistance with the increased payment standard, helping to offset the shared utility fees charged.
- Section 8 participants will be able to choose from a larger selection of affordable housing units and may receive some immediate rent relief on a case-by-case basis.
- HUD provides sufficient federal assistance to cover these adjustments in the payment standards and has approved the increase.
- Without an increase in the payment standard, many Section 8 participants will be unable to find housing and keep up with changing rents.
- Potential changes in federal law impact the financial resources available to the Program if the HRA does not remain current with the FMR.

**C. CRITICAL TIMING ISSUES:**

- The new payment standards will be effective November 1, 2022.

**D. FINANCIAL IMPACT:**

- An increase in the payment standard will decrease the rent burden for Section 8 participants.
- HUD provides sufficient funding to cover the increase.

**E. LEGAL CONSIDERATION:**

- The contract between the HRA and HUD provides for FMR adjustments in accordance with federal regulations.

**ALTERNATIVE RECOMMENDATION(S):**

- Do not change the payment standard at this time; however, this would mean that Richfield HRA is not in compliance with the HUD regulations.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

N/A

**ATTACHMENTS:**

	Description	Type
□	11/01/2022 Payment Standards	Cover Memo

Proposed Payment Standards (11/1/2022)

-0- BDR	-1- BDR	-2- BDR	-3-BDR	-4-BDR	-5-BDR
925	1125	1350	1775	2075	2425

Current Payment Standards (10/1/2021)

-0- BDR	-1- BDR	-2- BDR	-3-BDR	-4-BDR	-5-BDR
840	1000	1225	1675	1975	2310