



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Regular Meeting

October 17, 2016

CALL TO ORDER

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

ATTENDANCE

HRA Members Present: Mary Supple, Chair; Pat Elliott; Debbie Goettel and Doris Rubenstein

HRA Members Absent: David Gepner

Staff Present: Steve Devich, Executive Director,
John Stark, Director of Community Development,
Karen Barton, Assistant Director of Community Development
Kate Aitchison, Housing Specialist/Acting City Clerk

Item #1

**APPROVAL OF THE MINUTES OF THE REGULAR HRA MEETING OF
SEPTEMBER 19, 2016**

M/Elliott, SGoettel, to approve the minutes.

Motion carried 4-0.

Item #2

HRA APPROVAL OF THE AGENDA

M/Rubenstein, S/Goettel, to approve the agenda.

Motion carried 4-0.

Item #3

**PROJECT UPDATE FROM BOISCLAIR DEVELOPMENT, LLC,
REGARDING THE CEDAR POINT II HOUSING REDEVELOPMENT AREA**

Lori Boisclair, President of Boisclair Corporation, gave an update on the project dynamics for the Cedar Point II Housing Redevelopment area.

Ms. Boisclair discussed the economics of land acquisition and redevelopment financing. In working on the project, Boisclair is encountering a gap between the amount of financing

that will be underwritten by a lender, and the amount of money required to complete the project.

Ms. Boisclair described various ways that they are working with city staff to close this gap and make the project feasible. They are considering 'phasing' the project, beginning on developing the for-sale townhomes first, and then constructing the rental apartments in the second phase.

Chair Supple expressed her approval of project phasing if that is what is needed to see the project move forward. Commissioner Goettel stated that it may help bolster confidence of underwriters to see the first phase of the project successfully completed.

Two residents were invited to speak and ask questions related to the development.

Andrea Bolstad, of 6339 16th Avenue, asked three questions: 1) What comparables were used from the Minneapolis Nokomis area? 2) What is the updated timing of acquiring the single family homes? And 3) Is this work an extension of the original development work that was begun to combat low frequency airport noise?

Ms. Boisclair explained that the comparable sales in the Nokomis area were newer projects of similar size. It is completely at the discretion of the lenders and underwriters. Community Development Assistant Director Barton explained the timing of grants, expecting the first grant that would help with acquisition to be awarded in February. Executive Director Devich answered the third question, stating that the Cedar Point Development helped with low frequency airport noise by providing buffers with large retail buildings.

Ms. Bolstad asked an additional question: would the financial problems of the project trickle down and affect the offered purchase prices of the homes along 16th Avenue.

Community Development Director Stark explained that certain details will be outlined in the development contract with Boisclair, but that the real litmus test will be if the homeowners are satisfied and accept the offered price. Executive Director Devich affirmed that everyone wants to see the acquisitions work out for the best.

Carl Kowal of 6327 16th Avenue, reiterated the neighborhood's frustrations with the delays to the project, stating that people have been avoiding making investments in their homes since they will not recapture the money in the purchase price. He acknowledged all of the City Staff's hard work. He stated that the neighbors feel that they have been forgotten by the developer.

Item #4	CONSIDERATION OF A RESOLUTION AUTHORIZING AN INTERFUND LOAN UP TO \$650,000 FOR LYNDALE GATEWAY WEST TAX INCREMENT DISTRICT DEBT SERVICE PAYMENTS
---------	--

Community Development Director John Stark presented Staff Report No. 30.

Community Development Director Stark pointed out that, at the time, the Lyndale Gateway West development was in a similar position to what is currently being seen at Cedar Point II. It's the only time the city has issued General Obligation Bonds for a redevelopment project. He stated that each year the HRA will receive and update, and that the market could improve, meaning less debt service would be required.

Executive Director Devich explained that the HRA could choose to levy to pay the debt service, but he did not recommend that course of action.

Chair Supple clarified that the amount would not exceed \$650,000.

M/Goettel, S/Elliott, to approve the following resolution:

HRA RESOLUTION No. 1238
 APPROVING INTERFUND LOAN TO THE LYNDALE GATEWAY WEST TAX INCREMENT
 DISTRICT ACCOUNT FOR DEBT SERVICE PAYMENTS WITH RESPECT TO CERTAIN
 GENERAL OBLIGATION BONDS OF THE CITY OF RICHFIELD

Motion carried 4-0. This resolution appears as HRA Resolution No. 1238

Item #5	HRA DISCUSSION ITEMS
----------------	-----------------------------

Chair Supple acknowledged the success of the recent Renovation Celebration Home Tour and stated that she was impressed with the materials and outcome.

Commissioner Rubbenstein asked about the reconstruction of 66th Street, and if there are plans for redevelopment.

Community Development Director Stark stated that there may be residential property remnants that can be acquired for the Richfield Rediscovered or New Home programs.

Commissioner Goettel stated she has heard that 'pocket parks' may also be possible with some of the remnant land.

Item #6	EXECUTIVE DIRECTOR REPORT
----------------	----------------------------------

Executive Director Devich had no news to report.

Commissioner Rubbenstein asked about the native plants that have been removed at the Lyndale Gardens site, specifically wondering what will replace them. Community Development Assistant Director Barton answered that the site will be fully landscaped upon completion, but will not be returned to its native state.

Item #7	CLAIMS AND PAYROLL
----------------	---------------------------

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

U.S. BANK	10/17/16
Section 8 Checks: 128090 - 128175	\$ 164,866.99
HRA Checks: 32850 - 32875	\$ 45,616.93
TOTAL	\$ 210,483.92

Motion carried 4-0.

ADJOURNMENT

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

Date Approved: November 21, 2016

Mary B. Supple
HRA Chair

Kate Aitchison
Acting City Clerk

John Stark
Acting Executive Director