



CITY COUNCIL MEETING MINUTES

Richfield, Minnesota

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

August 21, 2017

CALL TO ORDER

The work session was called to order by HRA Chair/EDA President Supple at 5:45 p.m. in the Bartholomew Room.

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

HRA Members Present: Mary Supple, Chair; Michael Howard; Pat Elliott; Doris Rubenstein; and Sue Sandahl.

PC Members Present: Erin Vrieze Daniels, Chair; Allysen Hoberg; and Susan Rosenberg.

PC Members Absent: Dan Kitzberger; Sean Hayford Oleary; Bryan Pynn; and Gordon Vizecky.

Staff Present: John Stark, Community Development Director and Julie Urban, Housing Manager.

Item #1	CITY GARAGE SOUTH PROPOSAL
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Steve Nicolai and Nate Anderig, Nicolai Builders, presented their proposal to construct market-rate, multi-family housing on the City Garage South site (77th and Pillsbury). They described their background and experience and reviewed the proposed elevations and layout for the site. They explained that 20 percent of the units would be for moderate-income seniors. They stated that while they were defining moderate income as 80 percent of the area median income or less, they were open to defining it differently.

Planning Commission Chair Daniels stated that she would like to see a more interesting design for the building.

Community Development Director Stark explained that the developer was looking for initial feedback to the concept and then would come back with more details. He gave some historical background for the site and explained that while the initial vision for the site was office, there has been no interest for that concept.

Commissioner Hoberg encouraged a more modern design for the building.

Council Member Howard expressed an interest in seeing housing developed on the site and stated he would need more information.

ADJOURNMENT

The work session was adjourned by unanimous consent at 6:30 p.m.

Date Approved: September 26, 2017

Pat Elliott
Mayor

Jared Voto
Executive Aide/Analyst

Steven L. Devich
City Manager



CITY COUNCIL MEETING MINUTES

Richfield, Minnesota

Special Joint City Council, Housing and Redevelopment Authority, and Economic Development Authority Work Session

August 21, 2017

CALL TO ORDER

The work session was called to order by HRA Chair/EDA President Supple at 6:30 p.m. in the Bartholomew Room.

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

HRA Members Present: Mary Supple, Chair; Michael Howard; Pat Elliott; Doris Rubenstein; and Sue Sandahl.

EDA Members Present: Mary Supple, Chair; Michael Howard; Pat Elliott; Doris Rubenstein; and Sue Sandahl.

Staff Present: John Stark, Community Development Director and Julie Urban, Housing Manager.

Item #1	ECONOMIC DEVELOPMENT AUTHORITY'S 2018 BUDGET
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Community Development Director Stark presented the proposed 2018 EDA budget.

Mayor Elliott expressed a desire to see more money in the Transformation Loan Program budget.

Commissioner Rubenstein questioned whether the Kids @ Home Program was an appropriate economic development activity. Director Stark explained the background of the Kids @ Home Program and confirmed that it is an eligible EDA expense.

Council Member Regan Gonzalez commented that \$100,000 for apartment rehabilitation is a drop in the bucket for what's needed and that perhaps the City should focus on the NOAH strategies currently identified and use the EDA money to support small businesses and move-up housing.

Mayor Elliott suggested that the money remain in the EDA budget to show our commitment to seeing our apartments rehabilitated.

Council Member Howard agreed that establishing apartment rehabilitation as a pilot program would give flexibility to reevaluate in future years.

Council Member Trautmann appreciated the commitment to businesses and reminded everyone of the strain the road construction has had on local businesses.

ADJOURNMENT

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

Date Approved: September 26, 2017

Pat Elliott
Mayor

Jared Voto
Executive Aide/Analyst

Steven L. Devich
City Manager



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Regular Meeting

August 21, 2017

CALL TO ORDER

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

HRA Members Present: Mary Supple, Chair; Pat Elliott; Michael Howard; Doris Rubenstein; and Sue Sandahl.

Staff Present: John Stark, Community Development Director; and Julie Urban, Housing Manager.

APPROVAL OF THE MINUTES OF THE REGULAR HRA MEETING OF MAY 15, 2017

M/Elliott, S/Sandahl to approve the minutes of the: (1) Regular Housing and Redevelopment Authority meeting of July 17, 2017; and (2) Special Housing and Redevelopment Authority meeting of August 3, 2017.

Motion carried 5-0.

Item #1	HRA APPROVAL OF THE AGENDA
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M/Elliott, S/Sandahl, to approve the agenda.

Motion carried 5-0.

Item #2	CONSENT CALENDAR
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Executive Director Devich presented the consent calendar.

- A. Consideration of the approval of a resolution consenting to the inclusion by Inland Development Partners/Chamberlain LLC of certain property with respect to land use approvals (S.R. No. 28).

M/Elliott, S/Howard to approve the consent calendar.

Motion carried 5-0.

Item #3	CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM CONSENT CALENDAR
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None.

Item #4	CONSIDERATION OF THE APPROVAL OF A RESOLUTION AUTHORIZING THE PURCHASE OF REAL PROPERTY AT 6409 16TH AVENUE (S.R. NO. 29)
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Housing Manager Urban presented staff report no. 29 regarding the purchase of property located at 6409 16th Avenue.

In response to a question from Commissioner Sandahl, Dan Schertner (property owner) explained that he was asking for \$205,000, \$7,000 more than the appraised value of \$198,000, based on his review of current listings, because of the uncertainty of redevelopment plans, and due to the negative impact of the changing character of the neighborhood.

Commissioner Howard stated that meeting in the middle between Mr. Schertner's original request of \$210,000 and the appraisal was reasonable.

M/Rubenstein, S/Howard to approve a resolution authorizing the purchase of real property at 6409 16th Avenue in the amount of \$205,000.

Motion carried 5-0.

Item #5	CONSIDERATION OF APPROVAL OF A RESOLUTION APPROVING A LOAN TO AEON SEASONS PARK LLC IN THE AMOUNT OF \$150,000 TO ASSIST WITH THE PURCHASE OF THE SEASONS PARK APARTMENT COMPLEX. (S.R. NO. 30)
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Community Development Director Stark presented staff report no. 30.

Blake Hopkins, Project Manager for Aeon, explained the plans to purchase the complex and Aeon's tenant criteria. He explained that 100 percent of the building would be affordable at 60 percent of the area median income (AMI).

Commissioner Elliott confirmed that that income requirement would provide sufficient cash flow to maintain the building.

Commissioner Howard asked for details regarding rehabilitation plans. Mr. Hopkins explained that immediate issues, such as flooding impacts, would be addressed right away but that other improvements would happen over time. He stated that Aeon is talking to a variety of organizations regarding funding for the rehabilitation work.

Discussion followed regarding affordability levels and the 4d tax classification. He asked that the HRA offer some latitude to staff and the HRA Attorney to make some adjustments to the loan documents. Chair Supple clarified that three issues would be changing: changing the affordability level to 60 percent AMI, qualifying tenants by income at initial lease-up only, and that Aeon would be required to accept Section 8.

M/Howard, S/Rubenstein to approve a resolution approving a loan to Aeon Seasons Park LLC in the amount of \$150,000 to assist with the purchase of the Seasons Park apartment complex giving staff discretion to work out the details of the loan documents to require that 20 percent of the units be affordable at 60 percent AMI, tenants be income-qualified initially only, and a minimum of 9 units be reserved for Section 8 tenants.

Motion carried 5-0.

Item #6	CONSIDERATION OF THE APPROVAL OF RESOLUTIONS APPROVING PROPOSED PROPERTY TAX LEVY FOR PAYABLE 2018 FOR CERTIFICATION TO HENNEPIN COUNTY (S.R. NO. 31)
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Community Development Director Stark presented staff report no. 31 and gave a presentation on the proposed Housing and Redevelopment Authority budget.

Executive Director Devich gave an update on the Penn Avenue liquor store remodeling.

M/Rubenstein, S/Sandahl to approve a resolution approving proposed property tax levy for payable 2018 for certification to Hennepin County.

Motion carried 5-0.

Item #7	CONSIDERATION OF THE RATIFICATION OF AN ESCROW AGREEMENT IN WHICH THE HOUSING AND REDEVELOPMENT AUTHORITY AGREE TO PAY UP TO \$30,000 FOR REMEDIATION OF ENVIRONMENTAL CONTAMINATES AND \$1,400 FOR WELL-SEALING ON PROPERTY SOLD TO INTERSTATE DEVELOPMENT LLC BY THE HOUSING AND REDEVELOPMENT AUTHORITY FOR DEVELOPMENT OF THE PLAZA 66 COMMERCIAL DEVELOPMENT. (S.R. NO. 32)
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Community Development Director Stark presented staff report no. 32.

M/Sandahl, S/Elliott to ratify an Escrow Agreement in which the Housing and Redevelopment Authority agree to pay up to \$30,000 for remediation of environmental contaminants and \$1,400 for well-sealing on property sold to Interstate Development LLC by the Housing and Redevelopment Authority for development of the Plaza 66 commercial development.

Motion carried 5-0.

Item #8	HRA DISCUSSION ITEMS
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Community Development Director Stark clarified that the Cedar Point II market analysis has not been completed yet.

Item #9	EXECUTIVE DIRECTOR REPORT
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None.

Item #10	CLAIMS AND PAYROLL
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M/Elliott, S/Howard, that the following claims and payroll be approved:

U.S. BANK	8/21/17
Section 8 Checks: 128969-129058	\$150,110.06
HRA Checks: 33174-33219	\$307,729.80
TOTAL	\$457,839.86

Motion carried 5-0.

ADJOURNMENT

The meeting was adjourned by unanimous consent at 8:14 p.m.

Date Approved: September 19, 2017

Mary B. Supple
HRA Chair

Julie Urban
Housing Manager

Steve Devich
Executive Director