



**ECONOMIC DEVELOPMENT AUTHORITY MEETING
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS
AUGUST 19, 2019
7:15 PM (IMMEDIATELY FOLLOWING THE HRA MEETING)**

Call to Order

Approval of the minutes of the Regular Economic Development Authority meeting of January 15, 2019.

AGENDA APPROVAL

1. Approval of the Agenda
2. **Consent Calendar contains several separate items which are acted upon by the EDA in one motion. Once the Consent Calendar has been approved, the individual items and recommended actions have also been approved. No further EDA action on these items is necessary. However, any EDA Commissioner may request that an item be removed from the Consent Calendar and placed on the regular agenda for EDA discussion and action. All items listed on the Consent Calendar are recommended for approval.**

- A. Consideration of the adoption of revisions to the Inclusionary Housing Policy with regards to Housing and Redevelopment Authority scattered-site programs.

Staff Report No. 5

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

RESOLUTIONS

4. Consideration of resolutions approving proposed property tax levy for payable 2020 for certification to Hennepin County.

Staff Report No. 6

EDA DISCUSSION ITEMS

5. EDA Discussion Items

EXECUTIVE DIRECTOR REPORT

6. Executive Director's Report

CLAIMS AND PAYROLLS

7. Claims and Payrolls

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 612-861-9738.



ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Regular Meeting

January 15, 2019

CALL TO ORDER

The meeting was called to order by President Supple at 7:35 p.m. in the Council Chambers.

HRA Members Mary Supple, President; Pat Elliott; Maria Regan Gonzalez; Sue Sandahl and Erin Vrieze Daniels.

Staff Present: John Stark, Executive Director; Chris Regis, Finance Director; Julie Urban, Housing Manager; Elizabeth VanHoose, City Clerk; and Kate Aitchison, Housing Specialist.

**OATH OF OFFICE OF RICHFIELD ECONOMIC DEVELOPMENT AUTHORITY
COMMISSIONER, PAT ELLIOTT**

**OATH OF OFFICE OF RICHFIELD ECONOMIC DEVELOPMENT AUTHORITY
COMMISSIONER, MARY SUPPLE**

**OATH OF OFFICE OF RICHFIELD ECONOMIC DEVELOPMENT AUTHORITY
COMMISSIONER, MARIA REGAN GONZALEZ**

**OATH OF OFFICE OF RICHFIELD ECONOMIC DEVELOPMENT AUTHORITY
COMMISSIONER, ERIN VRIEZE DANIELS**

**OATH OF OFFICE OF RICHFIELD ECONOMIC DEVELOPMENT AUTHORITY
COMMISSIONER, SUE SANDAHL**

City Clerk VanHoose administered the oath of office to Commissioners Elliott, Supple, Regan Gonzalez, Vrieze Daniels, and Sandahl.

CONSIDERATION OF THE ELECTION OF OFFICERS FOR THE RICHFIELD ECONOMIC DEVELOPMENT AUTHORITY FOR 2019. (S.R. NO.1)

Commissioner Supple opened nominations.

M/Vrieze Daniels to elect Mary Supple to serve as President.

Motion carried 5-0.

M/Sandahl, S/Vrieze Daniels to elect Pat Elliott to serve as Vice President.

Motion carried 5-0.

M/Supple to elect Sue Sandahl to serve as Treasurer.

Motion carried 5-0.

M/ Vrieze Daniels to elect Kate Aitchison to serve as Secretary.

Motion carried 5-0.

M/ Vrieze Daniels to elect Christ Regis to serve as Assistant Treasurer.

Motion carried 5-0.

APPROVAL OF THE MINUTES OF THE REGULAR ECONOMIC DEVELOPMENT AUTHORITY MEETING OF OCTOBER 15, 2018.

M/ Vrieze Daniels, S/Regan Gonzalez to approve the minutes of the regular Economic Development Authority meeting of October 15, 2018.

Motion carried 5-0.

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

Motion carried 5-0.

Item #2	CONSIDERATION OF THE CONSENT CALENDAR
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Executive Director Stark presented the Consent Calendar:

- A. Consideration of the adoption of resolutions designating official depositories for the Economic Development Authority for 2019, including the approval of collateral. (S.R. No. 2)

RESOLUTION NO. 10
RESOLUTION DESIGNATING U.S. BANK A DEPOSITORY OF FUNDS OF THE EDA OF RICHFIELD FOR THE YEAR 2019

RESOLUTION NO. 11
RESOLUTION DESIGNATING CERTAIN SAVING AND LOAN ASSOCIATIONS, BANKS AND CREDIT UNIONS AS DEPOSITORIES FOR THE INVESTMENT OF ECONOMIC DEVELOPMENT AUTHORITY OF RICHFIELD FUNDS IN 2019

RESOLUTION NO. 12
RESOLUTION DESIGNATING CERTAIN FINANCIAL INSTITUTIONS AS DEPOSITORIES FOR THE INVESTMENT OF ECONOMIC DEVELOPMENT AUTHORITY OF RICHFIELD FUNDS IN 2019

- B. Consideration of the adoption of a resolution approving a Fair Housing Policy. (S.R. No. 3)

**RESOLUTION NO. 13
A RESOLUTION APPROVING THE ADOPTION OF A FAIR
HOUSING POLICY**

M/Sandahl, S/Vrieze Daniels 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 PROFESSIONAL SERVICE AGREEMENT WITH PEOPLE WITH CAPES TO PROVIDE SUPPORT SERVICES TO FAMILIES AND INDIVIDUALS ON THE KIDS @ HOME PROGRAM FOR 2019. (S.R. NO. 4)
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Housing Manager Julie Urban presented Staff Report No. 4

Executive Director John Stark added some background information about how the People with CAPES organization began. Housing Manager Urban also provided an update about the Kids @ Home program.

M/Vrieze Daniels, S/Regan Gonzalez to approve a Professional Service Agreement with People with CAPES to provide counseling services for the Kids @ Home participants for 2019.

Motion carried 5-0.

Item #5	EDA DISCUSSION ITEMS
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None.

Item #6	EXECUTIVE DIRECTOR REPORT
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Executive Director Stark stated that he has nothing to report.

Item #7	CLAIMS AND PAYROLLS
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M/Elliott, S/Sandahl that the following claims and payroll be approved:

U.S. BANK	11/19/2018
EDA Checks: 20116-20127	\$33,328.00
TOTAL	\$33,328.00

U.S. BANK	12/17/2018
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EDA Checks: 20125-20138	\$104,850.00
TOTAL	\$104,850.00

U.S. BANK	01/15/2019
EDA Checks: 20139-20151	\$31,238.70
TOTAL	\$31,238.70

Motion carried 5-0.

Item #8	ADJOURNMENT
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The meeting was adjourned by unanimous consent at 7:47 p.m.

Date Approved: August 19, 2019

Mary B. Supple
President

Kate Aitchison
Housing Specialist

John Stark
Executive Director



STAFF REPORT NO. 5
ECONOMIC DEVELOPMENT AUTHORITY
MEETING
8/19/2019

REPORT PREPARED BY: Julie Urban, Housing Manager

OTHER DEPARTMENT REVIEW: N/A

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director
8/14/2019

ITEM FOR COUNCIL CONSIDERATION:

Consideration of the adoption of revisions to the Inclusionary Housing Policy with regards to Housing and Redevelopment Authority scattered-site programs.

EXECUTIVE SUMMARY:

In February, the Housing and Redevelopment Authority (HRA) discussed the application of the Inclusionary Housing Policy (Policy) to its scattered-site housing programs. Commissioners determined that developments involving rehabilitation and long-term affordability meet the intent of the Policy. In the case of this Policy, long-term affordability would need to be demonstrated through a land-trust deed, a mortgage restriction or other enforceable document requiring affordability.

The revised policy was approved by the HRA on April 15 and by the City Council on April 23, 2019. The Economic Development Authority (EDA) should also review and approve changes to the Policy.

RECOMMENDED ACTION:

By motion: Adopt a revised Inclusionary Housing Policy, clarifying language relating to the Housing and Redevelopment Authority's scattered-site housing programs.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- In February, the HRA discussed the application of the Inclusionary Housing Policy (Policy) to its scattered-site housing programs. Historically, the HRA's New Home Program has involved both new construction and rehabilitation of existing housing. The focus on one or the other has been flexible, depending on market conditions and where the greatest need is.
- The HRA determined that it was appropriate to clarify the Policy to include those housing units that are rehabilitated and for which long-term affordability is ensured.
- The City Council reviewed the proposed change at its meeting on April 23, 2019, and approved the revised Policy.

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

- The EDA adopted the Policy on October 15, 2018, to ensure that projects that receive HRA funding include a mix of affordable as well as market-rate housing. With regards to the HRA's scattered-site programs, the policy requires that at least 20 percent of the units constructed in any three-year period must meet the proscribed affordability requirements.

C. CRITICAL TIMING ISSUES:

- The Policy update has been approved by both the HRA and the City Council.

D. FINANCIAL IMPACT:

- In the current housing market, the per unit subsidies for constructing new and rehabilitating existing housing is substantial. The HRA has historically adapted the New Home Program to respond to changing market conditions and provide the greatest impact with the limited financial resources available. The proposed update to the Inclusionary Housing Policy is consistent with this practice.

E. LEGAL CONSIDERATION:

- N/A

ALTERNATIVE RECOMMENDATION(S):

- The EDA may decide not to adopt the revised Inclusionary Housing Policy.

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A

ATTACHMENTS:

	Description	Type
□	Inclusionary Housing Policy update	Backup Material
□	Red-line version of updated Inclusionary Housing Policy	Backup Material

City of Richfield
Richfield Housing and Redevelopment Authority
Richfield Economic Development Authority
Inclusionary Affordable Housing Policy

The City of Richfield, Richfield Housing and Redevelopment Authority, and Richfield Economic Development Authority are committed to building a community that is welcoming and affordable to a diverse population of individuals and families at all stages of their lives. As such, we hereby establish the following policy for the inclusion of affordable housing in development proposals.

Requirements

1. Housing Development Projects containing the construction of at least 5 new units which receive Financial Assistance from HRA, EDA or City:
 - a. Must contain at least 20% affordable units
 - i. At least 20% of rental housing units must be made affordable to tenant households earning no more than 60% of the Area Median Income over a period of ten years or the duration of the subsidy (whichever is longer);
 - ii. At least 20% of owner-occupied housing units must be made affordable to, and initially sold to, households earning no more than 115% of the Area Median Income;
 - iii. At least 20% of the grand total of housing units in a mixed rental/ownership development must be affordable at the affordability levels established in 1.a)i and 1.a)ii,
 - or;
 - b. Must contribute to the Richfield Housing and Redevelopment Fund
 - i. 15% of the “net present value” of Tax Increment generated by the project (or 15% of the net present value of other types of assistance) must be pledged to the Richfield Housing and Redevelopment Fund over a period of ten years or the duration of the subsidy (whichever is longer), or;
 - ii. A pro-rata combination of the above (i.e. 10% affordable units and a 7.5% contribution) may be considered, and;
 - c. Must agree to provide 90 days’ advance notice to the public body providing funding of any sale of the property,
and;
 - d. Must agree to not discriminate against households utilizing Housing Choice Vouchers (Section 8) or other forms of rental assistance.
2. Non-Housing Development Projects that receive Financial Assistance from HRA, EDA or City and which result in the loss of affordable housing:
 - a. Affordable housing units eliminated by the project must be replaced on-site or at another location in Richfield by the developer at similar affordability levels, or;
 - b. 5-15% (depending on the magnitude of the loss of affordable housing) of the “net present value” of the Financial Assistance provided must be pledged to the Richfield Housing and Redevelopment Fund over a period of ten years or the duration of the subsidy (whichever is longer).

Incentives

3. Housing Development Projects which include affordable units (as outlined in 1a above) are eligible to apply to the City for the following considerations regardless of whether or not they receive Public Financial Assistance:
 - i. Building Permit Fee Reductions (10% reduction for rehabilitation and/or 5% reduction for new construction);
 - ii. 4d Property Tax Reduction (rental projects);
 - iii. Consideration of code flexibility (e.g., smaller setbacks, excessive impervious surface, etc.) in planned unit developments;
 - iv. A housing unit density bonus of 5-15% (e.g., a project in an area that allows 8-24 units/acre could add an additional 1-4 units/acre and remain in compliance).

Exceptions

4. With regards to “scattered-site single family housing development,” at least 20% of the units newly constructed or rehabilitated and converted to long-term affordability in any three-year period must meet the proscribed affordability requirements.
5. The City Council or Board of Commissioners of the Housing and Redevelopment Authority or Economic Development Authority may vary the application of this policy as circumstances warrant with the adoption of findings of the reasons for doing so.

Adopted as revised:

This 24th day of April, 2019 by the Richfield City Council.

Mayor

City Manager

This 15th day of April, 2019 by the Richfield Housing and Redevelopment Authority.

Chair

Secretary

This ___ Day of _____, 2019 by the Richfield Economic Development Authority.

President

Secretary

City of Richfield
Richfield Housing and Redevelopment Authority
Richfield Economic Development Authority
Inclusionary Affordable Housing Policy

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 - iii. At least 20% of the grand total of housing units in a mixed rental/ownership development must be affordable at the affordability levels established in 1.a)i and 1.a)ii,
 - or;
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 - ii. A pro-rata combination of the above (i.e. 10% affordable units and a 7.5% contribution) may be considered, and;
 - c. Must agree to provide 90 days’ advance notice to the public body providing funding of any sale of the property,
and;
 - d. Must agree to not discriminate against households utilizing Housing Choice Vouchers (Section 8) or other forms of rental assistance.
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 - a. Affordable housing units eliminated by the project must be replaced on-site or at another location in Richfield by the developer at similar affordability levels, or;
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Incentives

3. Housing Development Projects which include affordable units (as outlined in 1a above) are eligible to apply to the City for the following considerations regardless of whether or not they receive Public Financial Assistance:
 - i. Building Permit Fee Reductions (10% reduction for rehabilitation and/or 5% reduction for new construction);
 - ii. 4d Property Tax Reduction (rental projects);
 - iii. Consideration of code flexibility (e.g., smaller setbacks, excessive impervious surface, etc.) in planned unit developments;
 - iv. A housing unit density bonus of 5-15% (e.g., a project in an area that allows 8-24 units/acre could add an additional 1-4 units/acre and remain in compliance).

Exceptions

4. With regards to “scattered-site single family housing development,” at least 20% of the units newly constructed or rehabilitated and converted to long-term affordability in any three-year period must meet the proscribed affordability requirements.
5. The City Council or Board of Commissioners of the Housing and Redevelopment Authority or Economic Development Authority may vary the application of this policy as circumstances warrant with the adoption of findings of the reasons for doing so.

Adopted as revised:

This 24th day of April, 2019 by the Richfield City Council.

Mayor

City Manager

This 15th day of April, 2019 by the Richfield Housing and Redevelopment Authority.

Chair

Secretary

This day of , 2019 by the Richfield Economic Development Authority.

President

Secretary



STAFF REPORT NO. 6
ECONOMIC DEVELOPMENT AUTHORITY
MEETING
8/19/2019

REPORT PREPARED BY: Chris Regis, Finance Director
OTHER DEPARTMENT REVIEW: Katie Rodriguez, City Manager

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director
8/14/2019

ITEM FOR COUNCIL CONSIDERATION:

Consideration of resolutions approving proposed property tax levy for payable 2020 for certification to Hennepin County.

EXECUTIVE SUMMARY:

The bylaws of the Richfield Economic Development Authority (EDA) require that an annual budget be submitted to the EDA Commissioners for approval. Accordingly, the 2020 Proposed Budget and Tax Levy and 2019 Revised Budget are presented for approval.

In addition, Minnesota State Statutes require adoption of a preliminary tax levy from each taxing authority. The proposed tax levy must be certified to the Hennepin County Auditor by September 30, 2019. Any amendments to the proposed budget, which would increase the property tax levy, must be made prior to September 30, 2019. No increases in the tax levy are permissible after that date, only reductions. Final certification of the EDA tax levy is part of the City's budget process.

The tax levy as proposed represents a 2.34% decrease from the previous year's levy.

RECOMMENDED ACTION:

By Motion: Adopt the attached resolutions approving the 2020 Proposed Economic Development Authority Budget and Tax Levy and 2019 Revised Economic Development Authority Budget.

BASIS OF RECOMMENDATION:

A. **HISTORICAL CONTEXT**

N/A.

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

- Minnesota Statutes require adoption of a preliminary levy from each taxing authority.
- The budget and accompanying proposed levy for 2020 are ready for consideration.
- Even though a public hearing for the EDA tax levy is not required by State Statute, this does not preclude the EDA from opening this item up for public discussion if the EDA desires to do so.

C. **CRITICAL TIMING ISSUES:**

- As required by State Statutes, each taxing authority must certify its proposed tax levy for the payable year 2020 to the County Auditor on or before September 30, 2019.

D. **FINANCIAL IMPACT:**

- The Proposed 2018 EDA levy represents a 2.34% decrease from the previous year's levy. .

- The levy is approximately \$96,472 less than the maximum EDA levy established by law of the .01813% of the City's total taxable market value net of market value exclusion.

E. LEGAL CONSIDERATION:

N/A.

ALTERNATIVE RECOMMENDATION(S):

- The EDA could adopt a preliminary levy greater than the one proposed herein. However, the levy proposed provides the necessary funding to provide for programs that are recommended in the 2020 Proposed/2019 Revised budget. The overall burden on taxpayers for the combined City, HRA and EDA levies also played a role in the levy amount recommended by staff.

PRINCIPAL PARTIES EXPECTED AT MEETING:

None.

ATTACHMENTS:

	Description	Type
▢	2020 EDA Budget and Tax Levy	Resolution Letter
▢	2019 EDA Revised Budget Resolution	Resolution Letter

EDA RESOLUTION NO.

**RESOLUTION APPROVING PROPOSED 2020 ECONOMIC DEVELOPMENT
AUTHORITY BUDGET AND CERTIFYING THE 2020 TAX LEVY**

BE IT RESOLVED by the Housing and Redevelopment Authority of the City of Richfield, Minnesota as follows:

Section 1. The budget for the Economic Development Authority General Fund of Richfield for the year 2019 in the amount of \$542,070 is hereby ratified.

Section 2. The estimated gross revenue of the Economic Development Authority General Fund of Richfield from all sources, including general ad valorem tax levies as hereinafter set forth for the year 2020, and as the same are more fully detailed in the Executive Director's official copy of the budget for the year 2020, in the amount of \$551,540 is hereby approved.

Section 3. There is hereby levied upon all taxable property in the City of Richfield an ad valorem tax in 2019, payable in 2020 for the following purposes:

Economic Development Authority	\$553,985
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Section 4. A certified copy of this resolution shall be transmitted to the County Auditor.

Adopted by the Economic Development Authority in and for the City of Richfield, Minnesota this 19th day of August, 2019.

Mary Supple, President

ATTEST:

Erin Vrieze Daniels, Secretary

EDA RESOLUTION NO.

**RESOLUTION AUTHORIZING REVISION OF THE 2018 BUDGET OF THE
ECONOMIC DEVELOPMENT AUTHORITY OF RICHFIELD**

WHEREAS, Resolution No. 7 appropriated funds for personal services and other expenses for the Economic Development Authority for the year 2019, and

WHEREAS, The Executive Director has requested a revision of the 2019 budget as detailed in the 2020 budget document.

NOW, THEREFORE, BE IT RESOLVED by the Economic Development Authority of Richfield, Minnesota as follows:

Section 1. That the 2019 appropriation for the Economic Development Authority General Fund is revised as follows:

\$5,850 increase

Section 2. Estimated 2019 gross revenue of the Economic Development Authority General Fund from all sources, as the same is more fully detailed in the Executive Director's official copy of the 2019 budget document, are hereby revised as follows:

\$1,300 increase

Section 3. That the Executive Director bring into effect the provisions of this resolution.

Adopted by the Economic Development Authority in and for the City of Richfield, Minnesota this 19th day of August, 2019.

Mary Supple, President

ATTEST:

Erin Vrieze Daniels, Secretary