



**REGULAR HOUSING AND REDEVELOPMENT AUTHORITY MEETING
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS
FEBRUARY 20, 2018
7:00 PM**

Call to Order

Approval of the minutes of the regular Housing and Redevelopment Authority meeting of January 16, 2018.

PRESENTATIONS

1. 2017 HRA/EDA Year in Review

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. Consideration of the approval of a resolution authorizing the purchase of 7300 Portland Avenue.
Staff Report No. 5

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

RESOLUTIONS

PUBLIC HEARINGS

5. Public hearing and consideration of the approval of a resolution authorizing the sale of 6345 Bloomington Avenue to Endres Custom Homes and the approval of a Contract for Private Development with Endres Custom Homes for the construction of a single family home through the Richfield Rediscovered Program.

Staff Report No. 6

OTHER BUSINESS

6. Consideration of a settlement of a Housing and Redevelopment Authority Deferred Loan at 6500 Woodlake Drive, Unit #405.

Staff Report No. 7

HRA DISCUSSION ITEMS

7. HRA Discussion Items

EXECUTIVE DIRECTOR REPORT

8. Executive Director's Report

CLAIMS AND PAYROLLS

9. Claims and Payrolls

10. 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.



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Regular Meeting January 16, 2018

CALL TO ORDER

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

HRA Members Mary Supple, Chair; Pat Elliott; Michael Howard; Sue Sandahl and Erin Vrieze Daniels.

Staff Present: Steve Devich, Executive Director, Julie Urban, Housing Manager and Kate Aitchison, Housing Specialist.

CONSIDERATION OF THE ELECTION OF OFFICERS FOR THE RICHFIELD HOUSING AND REDEVELOPMENT AUTHORITY

Chair Supple opened nominations.

M/Sandahl, S/Vrieze Daniels to elect Mary Supple to serve as Chairperson.

Motion carried 5-0.

M/Howard, S/Vrieze Daniels to elect Pat Elliott to serve as Vice Chairperson.

Motion carried 5-0.

M/Elliott, S/Sandahl to elect Erin Vrieze Daniels to serve as Secretary.

Motion carried 5-0.

APPROVAL OF THE MINUTES OF THE REGULAR HRA MEETING OF DECEMBER 18, 2017

M/Elliott, S/Vrieze Daniels to approve the minutes of the December 18, 2017 regular Housing and Redevelopment Authority meeting.

Motion carried 5-0.

Item #1	HRA APPROVAL OF THE AGENDA
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M/Sandahl, S/Elliott, 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 resolutions designating official depositories for the Housing and Redevelopment Authority for 2018, including the approval of collateral. (SR No. 2)
- B. Consideration of the approval of designating the Community Development Director as the Acting Executive Director of the HRA for 2018 in the event the Executive Director is absent from the City (SR No. 3).

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

Motion carried 5-0.

Item #4	PUBLIC HEARING AND CONSIDERATION OF THE APPROVAL OF A RESOLUTION AUTHORIZING THE SALE OF 6525 15TH AVENUE TO ENDRES CUSTOM HOMES AND THE APPROVAL OF A CONTRACT FOR PRIVATE DEVELOPMENT WITH ENDRES CUSTOM HOMES FOR THE CONSTRUCTION OF A SINGLE FAMILY HOMES THROUGH THE RICHFIELD REDISCOVERED PROGRAM
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Housing Specialist Kate Aitchison presented Staff Report 4.

Commissioner Elliott asked concerns of a resident that had recently been raised regarding prior issues on the site. Executive Director Devich stated that there will not be similar problems during the construction of this new home.

Commissioner Vrieze Daniels asked for clarification on the Contract for Private Development’s language regarding garage door dominance. Housing Specialist Aitchison responded.

Chair Supple opened the public hearing.

M/Elliott, S/Sandahl to close the public hearing.

Motion carried 5-0.

M/Howard, S/Elliott to approve of a resolution authorizing the sale 6525 15th Avenue to Endres Custom Homes.

Motion carried 5-0.

Item #4	HRA DISCUSSION ITEMS
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Commissioner Elliott asked about the timing of a potential development with Therapy of Champions on East 66th Street. Executive Director Devich stated that he doesn't have an update.

Item #5	EXECUTIVE DIRECTOR REPORT
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Executive Director Devich stated that he has nothing to report.

Item #6	CLAIMS AND PAYROLL
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M/Elliott, S/Sandahl, that the following claims and payroll be approved:

U.S. BANK	1/15/18
Section 8 Checks: 129382 - 129464	\$146,126.70
HRA Checks: 33363 - 33394	\$ 125,857.20
TOTAL	\$271,983.90

Motion carried 5-0.

ADJOURNMENT

The meeting was adjourned by unanimous consent at 7:13 p.m.

Date Approved: February 20, 2018

Mary B. Supple
HRA Chair

Kate Aitchison
Housing Specialist

Steven L. Devich
Executive Director



STAFF REPORT NO. 5
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
2/20/2018

REPORT PREPARED BY: Kate Aitchison/Celeste McDermott, Housing Specialists

DEPARTMENT DIRECTOR REVIEW: John Stark, Community Development Director
2/14/2018

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: Steven L. Devich, Executive Director
2/14/2018

ITEM FOR COUNCIL CONSIDERATION:

Consideration of the approval of a resolution authorizing the purchase of 7300 Portland Avenue.

EXECUTIVE SUMMARY:

The owner of 7300 Portland Avenue has expressed an interest in selling the property to the Housing and Redevelopment Authority (HRA). The 864 square-foot house and detached one-car garage was appraised on behalf of the HRA at \$155,000. A sale price of \$141,000 was agreed upon with the seller. Closing would occur by March 31, 2018.

The small, substandard structure has a non-conforming front setback and is a prime candidate for redevelopment under the New Home program. Most of the homes in this area have a front set-back of 31 feet from the property line; however, the home at 7300 Portland is set directly on the front property line on Portland Avenue (a zero-foot set-back). In addition, the lot is only 47 feet wide, making market-rate new construction difficult. Under this program, the HRA would demolish the existing structure and construct a new home to be sold to income-eligible buyers. A partnership with Twin Cities Habitat for Humanity or the West Hennepin Affordable Housing Land Trust may be explored.

In 2015, staff attempted to purchase the foreclosed property through an auction site but was unsuccessful. An investor purchased it, made cosmetic improvements and re-sold it. The house is now for sale again.

The house was recently evaluated and determined to meet the structurally substandard criteria necessary for acquisition. The HRA would acquire the property for short-term holding. Staff will explore the opportunity to rent the home for short-term use (contingent upon necessary upgrades as deemed by the Inspections Department) but would hold the property with long-term plans to demolish it for redevelopment.

RECOMMENDED ACTION:

By motion: Approve a resolution authorizing the purchase of 7300 Portland Avenue.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- The 864 square-foot house was built in 1940. It has two small bedrooms, one bathroom, and a newly constructed single-car detached garage.

- In 2015, the property was listed on Auction.com. HRA staff attempted to purchase the home for \$85,000. During staff's attempts to purchase this home, a substandard inspection was conducted, and the home qualified for redevelopment. Unfortunately, the HRA's offer was not accepted and an investor bought the property.
- During 2015-2016 the home received some modest improvements. The improvement which added the most value to the property was the addition of a new single-car garage on the property. If acquired, the HRA would explore the re-use of the garage. Other improvements include window replacement, minor bathroom upgrades, and a new boiler.
- One year ago, the current seller purchased the home for \$136,500. In December he was abruptly relocated to the east coast and now desires to sell the property to the HRA. In order to cover his costs, he has negotiated a sale price of \$141,000.
- A new independent substandard evaluation was recently conducted and concluded that despite cosmetic improvements, the house is still structurally and functionally substandard, containing many code and structural deficiencies that would be difficult to correct. In addition, given the zero-foot front setback, the existing structure doesn't warrant further reinvestment.

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

- The 2008-2018 Richfield Comprehensive Plan states as policy:
 - Encourage the creation of “move-up” housing through new construction and home remodeling.
 - Promote the development of a balanced housing stock that is available to a range of income levels
- Through the City’s New Home Program, the HRA purchases and renovates or rebuilds substandard and functionally obsolete housing to replace it with newer, higher valued homes that are sold to income-qualified buyers.

C. CRITICAL TIMING ISSUES:

- The Property is currently vacant, and the owner resides in a different state. He is eager to sell in order to avoid accruing additional holding costs.
- Under the purchase agreement, closing would occur by March 31, 2018.

D. FINANCIAL IMPACT:

- Funds are available in the Housing and Redevelopment Fund for acquisition.
- The property is more expensive than what is typical for the HRA to pay under the New Home Program; however, its location on the front setback, its small size and structural issues, and its frequent change in ownership make it an appropriate acquisition candidate by the HRA.

E. LEGAL CONSIDERATION:

- The purchase agreement has been reviewed by legal counsel.

ALTERNATIVE RECOMMENDATION(S):

- Decide not to authorize purchase of the property.

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A

ATTACHMENTS:

Description	Type
☐ Resolution	Resolution Letter
☐ Purchase Agreement 7300 Portland	Contract/Agreement
☐ Photo - 7300 Portland	Backup Material
☐ Aerial Photo - 7300 Portland	Backup Material

HRA RESOLUTION NO. _____

**RESOLUTION AUTHORIZING PURCHASE OF REAL PROPERTY
LOCATED AT 7300 PORTLAND AVENUE**

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (“the HRA”) desires to purchase certain real property pursuant to and in furtherance of the Richfield Rediscovered Program, said property being described as:

7300 Portland Avenue

Legal: Lot 1, Block 1, Blairs Wooddale Third Addition, together with that part of the vacated alley which accrued thereon upon the vacation thereof, Hennepin County, Minnesota.

WHEREAS, the HRA is authorized by Minnesota Statutes Section 469.012 to acquire real property within its area of operation; and

WHEREAS, Housing and Redevelopment Fund money is available for acquisition purposes.

NOW THEREFORE, BE IT RESOLVED, by the Housing and Redevelopment Authority in and for the City of Richfield:

1. The purchase price for the property is approved at \$141,000 plus closing costs, not to exceed \$145,000.
2. The Chairperson and Executive Director are authorized to execute a Purchase Agreement and to take other actions necessary to purchase the property for the amount set forth in this Resolution.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota on this 20th day of February, 2018.

Mary B. Supple, Chair

ATTEST:

Erin Vrieze Daniels, Secretary

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (the "Agreement") is made as of this day of _____, 20__, by and between Jimmy Tan, single ("Seller"), and the Housing and Redevelopment Authority in and for the City of Richfield, a public body corporate and politic under the laws of the State of Minnesota ("Buyer").

RECITALS

Seller is the owner of property located at 7300 Portland Avenue South, Richfield, Minnesota, which is legally described on the attached Exhibit A ("Property").

The Property includes includes all plants, shrubs and trees, storm windows and/or inserts, storm doors, screens, awnings, window shades, blinds, curtain-traverse-drapery rods, attached lighting fixtures with bulbs, plumbing fixtures, water heater, heating system, humidifier, central air conditioning, electronic air filter, automatic garage door opener with controls, water softener, cable television outlets and cabling, and built-ins, including dishwasher, garbage disposal, trash compactor, oven(s), cook top stove, microwave oven, hood-fan, intercom and installed carpeting located on the premises which are the property of Seller. The property also includes the following personal property: NONE. Seller is responsible for removal of all personal property. Seller may remove the following items, provided Seller does not cause any unnecessary damage to the Property:

AGREEMENT

1. **Offer/Acceptance for Sale of Property.** The Seller agrees to sell to Buyer the Property and Buyer agrees to purchase the same, according to the terms of this Agreement.

2. **Purchase Price for Property and Terms.**

A. **PURCHASE PRICE:** The total purchase price for the Property is **One hundred and forty-one thousand** and 00/100ths Dollars (\$141,000) (the "Purchase Price").

B. **TERMS:**

(1): **EARNEST MONEY.** The sum of zero Dollars (\$0.00) (the "Earnest Money") shall be paid by Buyer to Seller.

(2): **BALANCE DUE SELLER.** Buyer agrees to pay by check or electronic transfer of funds on the date of closing on the Property (the "Closing Date") any remaining balance of the Purchase Price due to Seller according to the terms of this Agreement.

(3): DEED/MARKETABLE TITLE. Subject to performance by Buyer, Seller agrees to execute and deliver a Warranty Deed or Personal Representative's Deed conveying marketable title to the Property to Buyer, subject only to the following exceptions:

- a. Building and zoning laws, ordinances, state and federal regulations.
- b. Reservation of minerals or mineral rights to the State of Minnesota, if any.
- c. Public utility and drainage easements of record which will not interfere with Buyer's intended use of the Property.

(4): DOCUMENTS TO BE DELIVERED AT CLOSING BY SELLER. In addition to the Warranty Deed required at paragraph 2B(3) above, Seller shall deliver to Buyer:

- a. Standard form Affidavit of Seller.
- b. A "bring-down" certificate, certifying that all of the warranties made by Seller in this Agreement remain true as of the Closing Date.
- c. Certificate that Seller is not a foreign national.
- d. If an environmental investigation by or on behalf of Buyer discloses the existence of petroleum product or other pollutant, contaminant or other hazardous substance on the Property, either (i) a closure letter from the Minnesota Pollution Control Agency (MPCA) or other appropriate regulatory authority that remediation has been completed to the satisfaction of the MPCA or other authority; or (ii) Agreement for remediation/indemnification and security as Buyer may require.
- e. Well disclosure certification, if required, or, if there is no well on the Property, the Warranty Deed or Personal Representative's Deed given pursuant to paragraph 2B(3) above must include the following statement: "The Seller certifies that Seller does not know of any wells on the described real property."

If Seller is unaware of the location of a well and there is a building permit issued for the Property prior to installation of a City water system, Buyer agrees to have a licensed well contractor examine the Property for purposes of locating a well and assumes responsibility for sealing the well at Buyer's expense.

- f. Any other documents reasonably required by Buyer's title insurance company or attorney to evidence that title to the Property is marketable and that Seller has complied with the terms of this Agreement.

3. **Contingencies.** Buyer's obligation to buy is contingent upon the following:

- a. Buyer's determination of marketable title pursuant to paragraph 4 of this Agreement;
- b. Buyer's determination, in its sole discretion, that the results of any environmental investigation of the Property conducted pursuant to this Agreement are satisfactory to Buyer;
- c. The parties acknowledge that the Richfield zoning ordinance requires that lots in the R district meet certain minimum lot width, and area requirements. If these standards are not met, one or more variances will be necessary prior to construction of a new dwelling on the property. If the City of Richfield does not issue all variances necessary to make the property a buildable lot within the meaning of the zoning ordinance, Buyer at its sole discretion may cancel this Agreement; and
- d. Approval of this Agreement by Buyer's Board.

Revise if paragraph c is deleted:

Buyer shall have until the Closing Date to remove the foregoing contingencies. The contingencies at a., b., and c. are solely for the benefit of Buyer and may be waived by Buyer. The contingency at d. may not be waived by either party. If Buyer or its attorney gives written notice to Seller that the contingencies at a., b., c., and d. are duly satisfied or waived, Buyer and Seller shall proceed to close the transaction as contemplated herein.

If one or more of Buyer's or Seller's contingencies is not satisfied, or is not satisfied on time, and is not waived, this Agreement shall thereupon be void at the written option of Buyer and Seller shall return the Earnest Money, if any, to Buyer, and Buyer and Seller shall execute and deliver to each other a termination of this Agreement. As a contingent Agreement, the termination of this Agreement is not required pursuant to Minnesota Statutes, Section 559.21, et. seq.

4. **Title Examination/Curing Title Defects.** As soon as reasonably possible after execution of this Agreement by both parties,

- (a) Seller shall surrender any abstract of title and a copy of any owner's title insurance policy for the property, if in Seller's possession or control, to Buyer or to Buyer's designated title service provider; and

- (b) Buyer shall obtain the title evidence determined necessary or desirable by Buyer.

The Buyer shall have 20 days from the date it receives such title evidence to raise any objections to title it may have. Objections not made within such time will be deemed waived. The Seller shall have 90 days from the date of such objection to affect a cure; provided, however, that Seller shall have no obligation to cure any objections, and may inform Buyer of such. The Buyer may then elect to close notwithstanding the uncured objections or declare this Agreement null and void, and the parties will thereby be released from any further obligation hereunder.

5. **Environmental Investigation.** The Seller warrants that the Property has not been used for production, storage, deposit or disposal of any toxic or hazardous waste or substance, petroleum product or asbestos product during the period of time Seller has owned the Property. The Seller further warrants that Seller has no knowledge or information of any fact which would indicate the Property was used for production, storage, deposit or disposal of any toxic or hazardous waste or substance, petroleum product or asbestos product prior to the date Seller purchased the Property. Notwithstanding the above, Seller's warranty regarding petroleum products does not preclude the presence of heating oil or other similar products used as a heating fuel for the dwelling but Seller does warrant that if there was a fuel tank on the Property used for the storage of heating oil or other similar product, Seller has no knowledge of any leak in the tank or contamination caused thereby.

Seller hereby grants to Buyer and Buyer's agents a license to enter and evaluate the Property for the purpose of conducting an environmental assessment. The Buyer is required to perform an environmental assessment prior to committing federal Community Development Block Grant (CDBG) funds. Further, Buyer or Buyer's agent shall have the right pursuant to the license to bring persons and equipment onto the Property, make inspections and perform tests and analyses as Buyer may deem reasonable to determine the presence of any toxic or hazardous waste, substance, or petroleum product or asbestos product, and ascertain soil conditions on the Property. Buyer shall bear the cost of the environmental assessment. If the results of the environmental assessment are not to the satisfaction of Buyer, including a release from environmental conditions related to the commitment and expenditure of CDBG funds, Buyer at its sole discretion may cancel this Agreement. If Buyer cancels this Agreement pursuant to this provision, Buyer shall restore the Property to its original condition or nearly so as is reasonably practicable.

6. **Real Estate Taxes and Special Assessments.** Real estate taxes payable in the year of closing will be pro-rated between Buyer and Seller to the Closing Date. Seller shall pay all real estate taxes payable in previous years, the entire unpaid balance of special assessments, and all installments of special assessments levied and pending, including special assessments installments payable after the year of closing. Seller also agrees to pay all assessments related to service charges furnished to the Property prior to the Closing Date (e.g., delinquent water or sewer bills, removed or diseased trees), including those charges levied, pending, or certified to taxes payable in the year of closing. If closing occurs prior to the date the amount of real estate taxes due in the year of closing are available from Hennepin County, the current year's taxes will be pro-rated based on the amount due in the prior year.

7. **Closing Date.** The Closing Date will be on or before March 31, 2018. Delivery of all papers and the closing shall be made at the offices of Buyer, 6700 Portland Avenue South, Richfield, Minnesota 55423, or at such other location as is mutually agreed upon by the parties. All deliveries and notices to Buyer shall be made to the above address and marked to the attention of Housing Specialist.

8. **Possession/Utilities/Removal of Property/Escrow.**

(a) **Possession.** The Seller agrees to deliver possession not later than the Closing Date.

(b) **Utilities.** City water and sewer charges, electricity and natural gas charges, fuel oil and liquid petroleum gas shall be pro-rated between the parties as of the Closing Date. Seller shall arrange for final readings as of the Closing Date.

(c) **Personal Property.** The Seller agrees to remove all debris and all personal property not included herein from the Property before the possession date. Personal property not so removed shall be deemed forfeited to and shall become the property of Buyer. The Buyer may inspect the Property immediately prior to closing and deduct from the purchase price payable at closing an amount reasonably necessary to pay for the cost of removal of any debris or personal property then remaining on the Property. The provisions of this paragraph shall not merge with the deed and shall survive closing on the property.

(d) **Escrow.** Seller agrees that, at closing, Buyer may retain Five Hundred Dollars (\$500.00) from the purchase price for the Property as an Escrow for payment of personal property removal, disposal charges and utility charges. The retained amount, less deductions provided for this in paragraph 8, will be delivered to Seller no later than 60 days following the Closing Date or delivery of possession, whichever is later. Said funds shall be held by Kennedy & Graven, Chartered, as Escrow Agent, pursuant to the terms of the Escrow Agreement attached here as Exhibit C.

(e) **Amounts Due.** The Buyer's ability to deduct amounts due under this paragraph from the retained escrow is not exclusive but is in addition to Buyer's rights at law and equity to collect such amounts from Seller. The Seller is responsible for the amounts due under this paragraph even if: (i) Buyer neglects to deduct the amount from escrow; or (ii) the escrowed amount is insufficient to pay all amounts due under this paragraph 8.

9. **Seller Warranties.**

(a) **Sewer and Water.** Seller warrants that the Property is connected to City sewer and City water.

(b) **Mechanics' Liens.** Seller warrants that, prior to the closing, Seller shall pay in full all amounts due for labor, materials, machinery, fixtures or tools furnished within the 120 days immediately preceding the closing in connection with construction, alteration or repair of any structure upon or improvement to the Property.

(c) **Notices.** Seller warrants that it has not received any notice from any governmental authority as to violation of any law, ordinance or regulation in connection with the Property.

(d) **Tenants.** Seller warrants that the Property is not now occupied by tenants and was not occupied by tenants at the time Seller first received Buyer's written offer to purchase the Property.

(e) **Broker Commission.** Each party represents to the other that it has not utilized the services of any real estate broker or agent in connection with this Agreement or the transaction contemplated by this Agreement. Each party agrees to indemnify, defend, and hold harmless the other party against and in respect of any such obligation and liability based in any way upon agreements, arrangements, or understandings made or claimed to have been made by the party with any third person.

(f) **Structures.** The Seller warrants that the buildings, if any, are entirely within the boundary lines of the Property. The parties acknowledge that the Property is being sold in "as is" condition relating to the structural, operational, and mechanical systems.

10. **Closing Costs/Recording Fees/Deed Tax.** The Buyer will pay: (a) the closing fees charged by the title insurance or other closing agent, if any, utilized to close the transaction contemplated by this Agreement; (b) fees for title evidence obtained by Buyer; and (c) the recording fee for the deed transferring title to Buyer. Seller will pay all other fees normally paid by sellers, including (a) any transfer taxes, recording fees and Well Disclosure fees required to enable Buyer to record its deed from Seller under this Agreement, and (b) fees and charges related to the filing of any instrument required to make title marketable. Each party shall pay its own attorney fees.

11. **Inspections.** From the date of this Agreement to the Closing Date, Buyer, its employees and agents, shall be entitled to enter upon the Property to conduct such surveying, inspections, investigations, soil borings and testing, and drilling, monitoring, sampling and testing of groundwater monitoring wells, as Buyer shall elect; provided, that Seller is given at least 24 hours' notice.

12. **Risk of Loss.** If there is any loss or damage to the Property between the date hereof and the Closing Date, for any reason including fire, vandalism, flood, earthquake or act of God, the risk of loss shall be on Seller. If the Property is destroyed or substantially damaged before the closing date, this Agreement shall become null and void, at Buyer's option. At the request of Buyer, Seller agrees to sign a cancellation of Agreement.

13. **Default/Remedies.** If Buyer defaults in any of the covenants herein, Seller may terminate this Agreement, and on such termination all payments made hereunder shall be retained by Seller as liquidated damages, time being of the essence. This provision shall not deprive either party of the right to enforce specific performance of this Agreement, provided this Agreement has not terminated and action to enforce specific performance is commenced within

six months after such right of action arises. In the event Buyer defaults in its performance of the terms of this Agreement and Notice of Cancellation is served upon Buyer pursuant to Minn. Stat. Section 559.21, the termination period shall be thirty (30) days as permitted by Minn. Stat., Section 559.21, Subd. 4.

14. **Notice.** Any notice, demand, request or other communication which may or shall be given or served by the parties, shall be deemed to have been given or served on the date the same is personally served upon one of the following indicated recipients for notices or is deposited in the United States Mail, registered or certified, return receipt requested, postage prepaid and addressed as follows:

SELLER: Jimmy Tan
PO Box 54952
Richfield, MN 55423

BUYER: Housing and Redevelopment Authority of the City of Richfield
Attn: Housing Specialist
6700 Portland Avenue South
Richfield, MN 55423

AGENT: Kennedy & Graven, Chartered
ATTN: Julie Eddington and
Catherine B. Rocklitz
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402

15. **Entire Agreement.** This Agreement, Exhibits, and other amendments signed by the parties, shall constitute the entire Agreement between Seller and Buyer and supersedes any other written or oral agreements between the parties relating to the Property. This Agreement can be modified only in a writing properly signed on behalf of Seller and Buyer.

16. **Survival.** Notwithstanding any other provisions of law or court decision to the contrary, the provisions of this Agreement shall survive closing.

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date and year above.

Buyer:
Housing and Redevelopment Authority of the
City of Richfield

Seller:

By: _____
Its Chair

And by: _____
Its Executive Director

DRAFT

EXHIBIT A

Legal Description of Property

Lot 1, Block 1, Blairs Wooddale Third Addition, together with that part of the vacated alley which accrued thereon upon the vacation thereof, Hennepin County, Minnesota.

DRAFT

EXHIBIT B

Escrow Agreement

THIS AGREEMENT entered into this _____ day of _____, 20__, by and between Jimmy Tan ("Seller"), the HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RICHFIELD, a Minnesota municipal corporation ("Buyer"), and KENNEDY & GRAVEN, CHARTERED ("Escrow Agent" or "Agent").

RECITALS

- A. Seller and Buyer have entered into a Purchase Agreement dated _____, 20__ ("Purchase Agreement") for the sale of property located at 7300 Portland Avenue, Richfield, Minnesota and legally described on the attached Exhibit One (the ("Property")).
- B. The parties desire to close the sale of the Property on _____.

AGREEMENT

The parties agree as follows:

1. Delivery of Possession. Seller shall deliver possession of the Property to Buyer in accordance with the Purchase Agreement entered into by the parties. The Purchase Agreement requires Seller to pay all utilities and to remove all personal property from the Property upon closing.
2. Escrow. (a) Upon closing and execution of this Agreement, Seller agrees to deposit into escrow the sum of **\$500.00** (the "Escrowed Funds") from the purchase price, to be held by Agent in a non-interest bearing account.

(b) Within 7 days after requested by Agent, Buyer shall provide to Agent (with copy to Seller) evidence of expenses incurred for the removal and disposal of personal property and for payment of utility charges for services provided to the Property prior to date of possession, if any. Agent shall reimburse Buyer for the incurred expenses from the Escrowed Funds within 7 days following receipt of such evidence from Buyer.

(c) Agent shall deliver to Seller the balance of the Escrowed Funds on deposit, less deductions provided for in paragraph 2(b) above, no later than 30 days following vacation of the Property by Seller.

(d) The sole duties of Agent shall be those described herein, and Agent shall be under no obligation to determine whether the other parties hereto are complying with any requirements of law or the terms and conditions of any other

agreements among said parties. Agent shall have no duty or liability to verify any amounts deducted from the retained amount and Agent's sole responsibility shall be to act expressly as set forth in this Escrow Agreement.

3. Escrow Agent Liability. The sole duties of Escrow Agent shall be those described herein, and Escrow Agent shall be under no obligation to determine whether the other parties hereto are complying with any requirements of law or the terms and conditions of any other agreements among said parties. Escrow Agent may conclusively rely upon and shall be protected in acting on any notice believed by it to be genuine and to have been signed or presented by the proper party or parties, consistent with reasonable due diligence on Escrow Agent's part. Escrow Agent shall have no duty or liability to verify any such notice, and its sole responsibility shall be to act expressly as set forth in this Escrow Agreement.

Seller and Buyer understand that Agent is legal counsel to Buyer and each consents to Agent's serving as Escrow Agent notwithstanding such representation. In the event Agent determines, in its sole discretion, that it cannot continue to serve as Escrow Agent herein, Agent shall deposit the funds with Old Republic National Title Insurance Company or such other Escrow Agent acceptable to Seller and Buyer. Seller consents to Agent's continued representation of Buyer after a deposit is made, and Buyer agrees to pay all escrow fees charged by the substitute Escrow Agent.

4. Notices to be sent to the parties to this Agreement shall be sent by mail or personal delivery to:

SELLER: Jimmy Tan
PO Box 54952
Richfield, MN 55423

BUYER: Housing and Redevelopment Authority
in and for the City of Richfield
Attn: Housing Specialist
Richfield City Hall
6700 Portland Avenue South
Richfield, MN 55423

AGENT: Kennedy & Graven, Chartered
ATTN: Julie Eddington and
Catherine B. Rocklitz
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402

IN WITNESS WHEREOF, the parties have executed this agreement as of the date written above.

SELLER:

BUYER:

HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE
CITY OF RICHFIELD

By: _____
Its Chair

And by: _____
Its Executive Director

ESCROW AGENT:
KENNEDY & GRAVEN, CHARTERED

By: _____

DRAFT

Exhibit One
Legal Description of Property

Lot 1, Block 1, Blairs Wooddale Third Addition, together with that part of the vacated alley which accrued thereon upon the vacation thereof, Hennepin County, Minnesota

DRAFT

7300 Portland Ave



7300 Portland Avenue — Aerial Photo





STAFF REPORT NO. 6
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
2/20/2018

REPORT PREPARED BY: Kate Aitchison/Celeste McDermott, Housing Specialists

DEPARTMENT DIRECTOR REVIEW: John Stark, Community Development Director
2/14/2018

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: Steven L. Devich, Executive Director
2/14/2018

ITEM FOR COUNCIL CONSIDERATION:

Public hearing and consideration of the approval of a resolution authorizing the sale of 6345 Bloomington Avenue to Endres Custom Homes and the approval of a Contract for Private Development with Endres Custom Homes for the construction of a single family home through the Richfield Rediscovered Program.

EXECUTIVE SUMMARY:

Endres Custom Homes (the Builder) is applying to purchase the lot at 6345 Bloomington Avenue from the Housing and Redevelopment Authority (HRA) for the construction of a single family home. The new home would be a two-story home with four bedrooms, three baths, a finished basement and a two-car attached garage. The new home will be 2,135 finished square feet with a minimum end value of \$324,900.

While the Richfield Rediscovered Program has been very successful in recent years, several lots available for sale by the HRA have remained undeveloped. It is likely that proximity to the airport and additional sound attenuation requirements have deterred buyers from the properties. Endres Custom Homes was approved by the HRA to purchase four Richfield Rediscovered lots in this area in December and January, and he is now seeking to purchase the lot at 6345 Bloomington Avenue. The home has been pre-sold to a buyer.

The Builder has worked extensively with the HRA to ensure compliance with sound attenuation standards, design guidelines and building requirements to find a proposal that is feasible for both the Richfield Rediscovered Program and the Builder. In order to make a new home viable on this lot, staff is recommending a discounted lot sale price to account for additional costs related to required window and sewer-line improvements.

RECOMMENDED ACTION:

Conduct and close the public hearing and by motion:

- 1. Approve a resolution authorizing the sale of 6345 Bloomington Avenue to Endres Custom Homes; and**
- 2. Authorize execution of a Contract for Private Development between the Housing and Redevelopment Authority and Endres Custom Homes for the redevelopment of 6345 Bloomington Avenue.**

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- The HRA purchased 6345 Bloomington Avenue in 2011 for \$79,900.
- The existing substandard home was abated and demolished in 2011.
- The vacant lot has been listed for \$40,000.

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

- The proposed project meets the policy objectives of the Richfield Rediscovered Program:
 - Removes substandard, functionally obsolete housing and eliminates its blighting influence;
 - Provides new, higher valued housing; and
 - Alleviates shortage of housing choice for families.
- The project also meets the Housing Design and Site Development Criteria, as defined in the Richfield Rediscovered Guidelines:
 - The height and mass of the house is made compatible with other homes in the neighborhood through the varied roof lines, presence of a roof eave at the first level, and larger side setbacks (15 feet).
 - The dominance of the garage door is minimized by the use of windows and panels, the front porch, living area above the garage, and a front setback greater than the neighboring houses.
 - While the design provides slightly less window area due to the extraordinary sound attenuation requirements, the plan provides a balanced and pleasing distribution of wall, door and window areas from all views.
 - Site drainage will be accommodated on site. The additional side setback to the north of the house provides an adequate area to ensure drainage away from the neighboring property.

C. CRITICAL TIMING ISSUES:

- The Contract for Private Development (Contract) requires the Builder to close on the property by March 1, 2018, and to complete construction by September 1, 2018. All Richfield Rediscovered contracts include a provision authorizing staff to grant an extension to these deadlines for a period up to six months.

D. FINANCIAL IMPACT:

- The HRA acquired the 60-foot wide property and structure in 2011 for \$79,900.
- The appraised value of the vacant lot is \$40,000.
- Under the terms of the Contract, \$37,725 will be due at closing.
- A discount to the lot sale price is applied for upgraded window costs and sewer line updates.
- Under the terms of the Contract for the property, the contracted minimum market value of the new home will be \$324,900.
- Under the terms of the Contract, the Builder will also be required to submit a \$10,000 cash escrow.

E. LEGAL CONSIDERATION:

- Notice of the public hearing was published in the Sun Current on February 8, 2018.
- Mailed notification is not required on this item; however, a courtesy notice was mailed to residents within 350 feet of the property.
- The HRA Attorney prepared the Contract for Private Development.

ALTERNATIVE RECOMMENDATION(S):

- Do not approve the sale of the property and the Contract for Private Development

PRINCIPAL PARTIES EXPECTED AT MEETING:

Dustin Endres, Endres Custom Homes, Inc.

ATTACHMENTS:

Description	Type
☐ Resolution	Resolution Letter
☐ Contract for Private Development	Contract/Agreement
☐ Site plan	Exhibit

▣ House plans

▣ Lot Photo

Exhibit

Exhibit

HRA RESOLUTION NO.

**RESOLUTION AUTHORIZING THE SALE OF REAL PROPERTY LOCATED AT
6345 BLOOMINGTON AVENUE TO ENDRES CUSTOM HOMES**

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (HRA) desires to develop certain real property pursuant to and in furtherance of the Richfield Rediscovered Program adopted by the HRA, said real property being described as:

Address: 6325 Bloomington Avenue

Legal: Lot 13, Block 10, Girard Parkview, Hennepin County, Minnesota

WHEREAS, the HRA is authorized to sell real property within its area of operation after a public hearing; and

WHEREAS, the purchaser of the described property has been identified as Endres Custom Homes, and

WHEREAS, a Contract for Private Development has been prepared, and the sale price of 6325 Bloomington Avenue is \$37,725 with performance security in the amount of \$10,000; and

WHEREAS, a public hearing has been held after proper public notice.

NOW, THEREFORE, BE IT RESOLVED by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota:

1. A public hearing has been held and 6325 Bloomington Avenue is authorized to be sold for \$37,725 to Endres Custom Homes; and
2. The Chairperson and Executive Director are authorized to execute a Contract for Private Development and other agreements as required to effectuate the sale to the Builder.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 20th day of February, 2018.

Mary B. Supple, Chair

ATTEST:

Erin Vrieze Daniels, Secretary

CONTRACT FOR PRIVATE DEVELOPMENT

Between

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

and

Endres Custom Homes, Inc.

for property located at

6345 Bloomington Avenue South

This Instrument Drafted by:

**The Housing and Redevelopment Authority
in and for the City of Richfield
6700 Portland Avenue South
Richfield, Minnesota 55423
Telephone: (612) 861-9760**

CONTRACT FOR PRIVATE DEVELOPMENT

THIS AGREEMENT, made and entered into as of this 20th day of February, 2018, by and between the Housing and Redevelopment Authority in and for the City of Richfield, a public body corporate and politic under the laws of the State of Minnesota, having its principal office at 6700 Portland Avenue, Richfield, Minnesota (HRA) and Endres Custom Homes, Inc., a Minnesota Corporation (Builder).

WITNESSETH:

WHEREAS, the City of Richfield (City) and the HRA have previously created and established a Redevelopment Project (Project) pursuant to the authority granted in Minnesota Statutes, Sections 469.001 through 469.047 (collectively, the Act); and

WHEREAS, pursuant to the Act, the City and the HRA have previously adopted a redevelopment plan for the Project (Redevelopment Plan); and

WHEREAS, in order to achieve the objectives of the Redevelopment Plan and particularly to make specified land in the Project available for development by private enterprise for and in accordance with the Redevelopment Plan, the HRA has determined to provide substantial aid and assistance to finance development costs in the Project; and

WHEREAS, the Builder has proposed a development as hereinafter defined within the Project which the HRA has determined will promote and carry out the objectives for which the Project has been undertaken, will assist in carrying out the obligations of the Redevelopment Plan, will be in the vital best interests of the City and the health, safety and welfare of its residents and is in accord with the public purposes and provisions of the applicable state and local laws and requirements under which development in the Project has been undertaken and is being assisted.

NOW, THEREFORE, in consideration of the mutual covenants and obligation of the HRA and the Builder, each party does hereby represent, covenant and agree with the other as follows:

ARTICLE I.

DEFINITIONS, EXHIBITS, RULES OF INTERPRETATION

Section 1.1. Definitions. In this Agreement, the following terms have the meaning given below unless the context clearly requires otherwise:

Building Plans. Detailed plans for the Improvements to be constructed on the Property, as required by the local building official for issuance of a building permit.

Construction Plans. The construction plans approved by the HRA pursuant to Section 4.1 of this Agreement. The Construction Plans include a schedule for construction of the Improvements, preliminary plans and schematics of the Improvements to be constructed, and a landscaping plan.

Development. The Property and the Improvements to be constructed thereon according to the Construction Plans approved by the HRA.

Event of Default. Event of Default has the meaning given such term in Section 8.1.

Guidelines. The Richfield Rediscovered Program Guidelines Lot Sale Program, revised March 20, 2017, and attached as Exhibit B to this Agreement.

Homeowner. The individuals purchasing the Property from Builder and who will be living in the home following purchase.

Improvements. Each and all of the structures and site improvements constructed on the Property by the Builder, as specified in the Construction Plans to be approved by the HRA.

Minimum Market Value. \$324,900, which is the minimum market value for the land and Improvements as confirmed by the Hennepin County Assessor.

Mortgage. A mortgage obtained by the Builder from a third party lender in accordance with Section 7.2 of this Agreement.

Property. The real property legally described as:

Lot 13, Block 10, Girard Parkview, Hennepin County, Minnesota

Located on land having a street address of:

6345 Bloomington Avenue South

Unavoidable Delays. Delays which are the direct result of strikes, labor troubles, fire or other casualty to the Improvements, litigation commenced by third parties which results in delays or acts of any federal, state or local government, except those contemplated by this Agreement, which are beyond the control of the Builder.

Section 1.2. Exhibits. The following Exhibits are attached to and by reference made a part of this Agreement:

- A. Form of Certificate of Completion
- B. Program Guidelines – Lot Sale Program
- C. Form of Quit Claim Deed

D. Well Disclosure

Section 1.3. Rules of Interpretation.

(a) This Agreement shall be interpreted in accordance with and governed by the laws of the State of Minnesota.

(b) The words “herein” and “hereof” and words of similar import, without reference to any particular section or subdivision refer to this Agreement as a whole rather than any particular section or subdivision hereof.

(c) References herein to any particular section or subdivision hereof are to the section or subdivision of this Agreement as originally executed.

(d) Any titles of the several parts, articles and sections of this Agreement are inserted for convenience and reference only and shall be disregarded in construing or interpreting any of its provisions.

ARTICLE II.

REPRESENTATIONS AND UNDERTAKINGS

Section 2.1. By the Builder. The Builder makes the following representations and undertakings:

(a) The Builder has the legal authority and power to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement;

(b) The Builder has the necessary equity capital or has obtained commitments for financing necessary for construction of the Improvements;

(c) The Builder will construct the Improvements in accordance with the terms of this Agreement and all local, state and federal laws and regulations;

(d) The Builder will obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, the requirements of all local, state and federal laws and regulations which must be obtained or met before the Improvements may be constructed;

(e) The plans for the Improvements have been prepared by a qualified draftsman or architect; and

(f) The Builder has read and understands the Guidelines and agrees to be bound by them.

Section 2.2. By the HRA. The HRA makes the following representations as the basis for the undertaking on its part herein contained:

(a) The HRA is authorized by law to enter into this Agreement and to carry out its obligations hereunder; and

(b) The HRA will, in a timely manner, subject to all notification requirements, review and act upon all submittals and applications of the Builder and will cooperate with the efforts of the Builder to secure the granting of any permit, license, or other approval required to allow the construction of the Improvements.

ARTICLE III.

ACQUISITION OF PROPERTY; CONVEYANCE TO BUILDER

Section 3.1. Purchase of Property by Builder. The HRA agrees to sell the Property to Builder and the Builder agrees to purchase the Property from the HRA in an “as-is” condition. The sale of the Property is contingent upon the Builder providing the HRA with evidence satisfactory to the HRA that Builder has entered into a binding legal commitment, in the form of a Purchase Agreement for the resale of the Property to a Homeowner following completion of the Improvements. The HRA agrees to convey the Property to the Builder by Quit Claim Deed in the general form of Exhibit C. The HRA’s deed to the Builder will contain the right of reverter required in Section 8.3. The purchase price for the Property, payable on the Closing Date (as defined in Section 3.7), will be \$37,725 (“Purchase Price”).

Section 3.2. Title and Examination. As soon as reasonably possible after execution of this Contract for Private Development by both parties,

(a) HRA shall surrender any abstract of title and a copy of any owner’s title insurance policy for the property, if in HRA’s possession or control, to Builder or to Builder’s designated title service provider; and

(b) Builder shall obtain the title evidence determined necessary or desirable by Builder or Builder’s lender, including but not limited to title searches, title examinations, abstracting, a title insurance commitment or an attorney’s title opinion, at Builder’s selection and cost, and provide a copy to the HRA.

The Builder shall have 20 days from the date it receives such title evidence to raise any objections to title it may have. Objections not made within such time will be deemed waived. The HRA shall have 90 days from the date of such objection to effect a cure; provided, however, that the HRA shall have no obligation to cure any objections, and may inform Builder of such. The Builder may then elect to close notwithstanding the uncured objections or declare this Agreement null and void, and the parties will thereby be released from any further obligation hereunder.

Section 3.3. Taxes and Special Assessments. Real estate taxes and installments of special assessments will be prorated between the HRA and Builder as of the Closing Date.

Section 3.4. Soil Conditions and Hazardous Wastes. The Builder acknowledges that the HRA makes no representations or warranties as to the conditions of the soils on the Property, its fitness for the construction of improvements or any other purpose for which the Builder may use the Property, or regarding the presence of hazardous wastes on the Property. The HRA will allow reasonable access to the Property for the Builder to conduct such tests regarding soils conditions and hazardous wastes as the Buyer may desire. Permission to enter the Property to conduct such tests must be given in writing under reasonable terms and conditions established by the HRA.

Section 3.5. Site Clearance. The HRA will be responsible for clearance of all buildings as required to prepare the Property for development. All other site preparation is the responsibility of Builder. Builder will comply with all of the provisions of the Guidelines relating to tree protection, preservation and replacement.

Section 3.6. Other Preconditions to Closing. Closing may not take place until the HRA is satisfied that the Project is in all respects in full compliance with the provisions of the Guidelines contained in Exhibit B. It is anticipated that the Builder will involve the Homeowner in the various activities required under the Guidelines so that the Homeowner will have an opportunity to contribute suggestions concerning development of the Property.

Section 3.7. Closing. Closing must take place March 1, 2018, (“Closing Date”) or such other date as may be agreed to by the Builder and HRA in writing. On the Closing Date, the Builder will provide the HRA with a cash deposit for the escrow account established pursuant to Section 5.1, in addition to the Purchase Price.

Section 3.8. Closing Costs. The Builder will pay: (a) the closing fees charged by its title insurance company or other closing agent, if any, utilized to close the transaction for Builder; (b) title services chosen by Builder pursuant to Section 3.2 above, including the premium for title insurance policy, if any, and (c) the recording fees for the Contract for Private Development and the deed transferring title to the Builder. HRA will pay (a) any transfer taxes, and (b) fees and charges related to the filing of any instrument required to make title marketable. Each party shall pay its own attorney fees.

Section 3.9. Sewer and Water. HRA does warrant that city water and sewer is available.

Section 3.10. ISTS Disclosure. HRA is **not** aware of any individual sewage treatment system on the property. Buyer is responsible for all costs of removing any individual sewage treatment system that may be discovered on the Property.

Section 3.11. Well Disclosure. HRA’s knowledge of wells on the Property is disclosed in Exhibit D.

Section 3.12. Methamphetamine Disclosure. To the best of HRA's knowledge, methamphetamine production has not occurred on the property.

ARTICLE IV.

CONSTRUCTION OF IMPROVEMENTS

Section 4.1. Construction of Improvements. The Builder shall construct the Improvements on the Property in accordance with the Guidelines and the Construction Plans, shall cause the Improvements to meet or exceed the Minimum Market Value specified in Section 1.1, and shall maintain, preserve and keep the Improvements in good repair and condition. The Builder shall provide his or her proposed construction plans to the HRA for review; if the proposed construction plans are in conformity with this Agreement and the Guidelines, the HRA will approve the Construction Plans following review and comment by the Homeowner.

Section 4.2. Construction Plans. No building permit will be issued by the City unless the Building Plans are in conformity with the Guidelines, the Construction Plans, the Builder's Minimum Market Value, other requirements contained in this Agreement, and all local, state and federal regulations. The Builder shall provide the HRA with a set of Building Plans to be used in connection with any application for a building permit. The HRA shall, within 25 days of receipt of the Building Plans review the same to determine whether the foregoing requirements have been met. If the HRA determines such Building Plans to be deficient, it shall notify the Builder in writing stating the deficiencies and the steps necessary for correction. Issuance of the building permit by the City shall be a conclusive determination that the Building Plans have been approved and shall satisfy the provisions of this Section 4.2.

Section 4.3. Schedule of Construction. Subject to Unavoidable Delays, construction of the Improvements shall be completed prior to September 1, 2018 ("Construction Completion Date"). All construction shall be in conformity with the approved Construction Plans and the Guidelines. Periodically during construction the Builder shall make reports in such detail as may reasonably be requested by the HRA concerning the actual progress of construction. If at any time prior to completion of construction the HRA has cause to believe that the Builder will be unable to complete construction of the Improvements in the time permitted by this Section 4.3, it may notify the Builder and demand assurances from the Builder regarding the Builder's construction schedule. If such assurances are not forthcoming or are deemed by the HRA at its sole discretion to be inadequate, the HRA may declare an Event of Default and may avail itself of any of the remedies specified in Section 8.2 of this Agreement.

Section 4.4. Certificate of Completion. After notification by the Builder of completion of construction of the Improvements, the HRA shall inspect the construction to determine whether the Improvements have been completed in accordance with the Construction Plans and the terms of this Agreement, including the date of the completion thereof. In the event that the HRA is satisfied with the construction, and upon closing on the sale of the Property to the Homeowner, the HRA shall furnish the Builder with a Certificate of Completion in the form

attached hereto as Exhibit A. Such certification by the HRA shall be a conclusive determination of satisfaction and termination of the agreements and covenants in this Agreement. Issuance of the Certificate of Completion shall also serve as a satisfaction of any obligation of Builder secured by the escrow account established under Section 5.1, and the cash in the escrow account will be released to the Builder. At the time a Certificate of Completion is issued, the HRA will also provide Builder with a \$5,000 cash rebate if Builder has obtained Green Community Concepts certification through LEED for Homes, Minnesota GreenStar, Minnesota Green Communities or Minnesota Green Path.

If the HRA shall refuse or fail to provide certification in accordance with the provisions of this Section 4.4, the HRA shall within 15 days of such notification provide the Builder with a written statement, indicating in adequate detail in what respects the Builder has failed to complete the Improvements in accordance with the provisions of this Agreement necessary, in the opinion of the HRA, for the Builder to take or perform in order to obtain such certification.

Section 4.5. Failure to Construct. In the event that construction of the Improvements is not completed as provided in Section 4.3 of this Agreement, an Event of Default shall be deemed to have occurred, and the HRA may proceed with its remedies under Section 8.2.

ARTICLE V.

REDEVELOPMENT ASSISTANCE

Section 5.1. Establishment of Cash Escrow. Builder acknowledges that although it is purchasing the Property at its fair market value as raw land, the HRA has incurred significant costs in acquiring and preparing the Property for development by Builder. On the Closing Date, Builder will deliver to the HRA \$10,000 to be placed in a non-interest bearing escrow account pursuant to the Escrow Agreement, dated as of the date of closing, between Builder and HRA. The obligation to pay the \$10,000 to the HRA will be forgiven, and the cash in the escrow account will be returned to Builder if: (i) the Builder receives a Certificate of Completion; and (ii) the Builder is not otherwise in default of any of its obligations hereunder. If such have not occurred, an Event of Default shall be deemed to have occurred and the HRA may exercise its remedies under Section 8.2. In certain circumstances, after construction is complete, the Builder or Buyer may be required to deposit another cash escrow with the planning department of the City for incomplete improvements. In these cases, following the HRA's release of the cash escrow, the cash escrow will be transferred to the City's planning department for such purpose. The terms of the escrow will be set forth in an Escrow Agreement between the HRA and the Builder or Buyer.

ARTICLE VI.

FINANCING

Section 6.1. Financing. HRA acknowledges that Builder has submitted evidence of financing for the Improvements in compliance with the provisions of Section 2.1(b) of this

Agreement. Builder must notify HRA immediately of any changes to or withdrawal of the approved financing, HRA shall have 10 days to approve or disapprove changes in financing. If the HRA rejects a change in the approved financing or if the approved financing is withdrawn, the Builder shall have 30 days or such additional period of time as the Builder may reasonably require from the date of the HRA's notification to submit evidence of financing satisfactory to the HRA. If the Builder fails to submit such evidence or fails to use due diligence in pursuing financing, the HRA may terminate this Agreement and both parties shall be released from any further obligation or liability hereunder. Closing shall not take place until Builder has provided HRA with acceptable evidence of financing for construction of the Improvements.

Section 6.2. Copy of Notice of Default to Lender. Whenever the HRA shall deliver any notice or demand to the Builder with respect to any Event of Default by the Builder in its obligations or covenants under this Agreement, the HRA shall at the same time forward a copy of such notice or demand to each holder of any Mortgage authorized by the Agreement at the last address of such holder shown in the records of the HRA.

Section 6.3. Subordination. In order to facilitate obtaining financing for the construction of the Improvements by the Builder, the HRA may, in its sole and exclusive discretion, agree to modify this Agreement in the manner and to the extent the HRA deems reasonable, upon request by the financial institution and the Builder.

ARTICLE VII.

PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER

Section 7.1. Representation as to Redevelopment. The Builder represents and agrees that its undertakings pursuant to the Agreement, are for the purpose of development of the Property and not for speculation in land holding. The Builder further recognizes that, in view of the importance of the Development to the general welfare of Richfield and the substantial financing and other public aids that have been made available by the HRA for the purpose of making the Development possible, the qualification and identity of the Builder are of particular concern to the HRA. The Builder further recognizes that it is because of such qualifications and identity that the HRA is entering into this Agreement, and, in so doing, is further willing to rely on the representations and undertakings of the Builder for the faithful performance of all undertakings and covenants agreed by the Builder to be performed.

Section 7.2. Prohibition Against Transfer of Property and Assignment of Agreement. For the reasons set out in Section 7.1 of this Agreement, the Builder represents and agrees as follows:

(a) Except as specifically allowed by this section, Builder has not made or created, and, prior to the issuance of the Certificate of Completion, Builder will not make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance, or any trust in respect to this Agreement or the Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, without the prior written approval of the HRA.

(b) This provision shall not be deemed as preventing the Builder from entering into a Purchase Agreement for the sale of the Property to a Homeowner.

(c) This provision does not prohibit conveyances that are only by way of security for, and only for the purpose of obtaining financing necessary to enable the Builder or any successor in interest to the Property, or any part thereof, to perform its obligations with respect to the Development under this Agreement, and any other purpose authorized by this Agreement. Any Mortgage obtained by the Builder must be disclosed to the HRA, and must be subordinate to this Agreement. The Builder must provide the HRA with an address for the holder of the Mortgage for purposes of providing notices as may be required by this Agreement.

ARTICLE VIII.

EVENTS OF DEFAULT

Section 8.1. Events of Default Defined. The following shall be deemed Events of Default under this Agreement and the term shall mean, whenever it is used in this Agreement, unless the context otherwise provides, any one or more of the following events:

(a) Failure by the Builder to pay when due the payments required to be paid or secured under any provision of this Agreement;

(b) Failure by the Builder to observe and substantially perform any covenant, condition, obligation or agreement on its part to be observed or performed hereunder, including the time for such performance;

(c) If the Builder shall admit in writing its inability to pay its debts generally as they become due, or shall file a petition in bankruptcy, or shall make an assignment for the benefit of its creditors, or shall consent to the appointment of a receiver of itself or of the whole or any substantial part of the Property;

(d) If the Builder, on a petition in bankruptcy filed against it, be adjudicated as bankrupt, or a court of competent jurisdiction shall enter an order or decree appointing, without the consent of the Builder, a receiver of the Builder or of the whole or substantially all of its property, or approve a petition filed against the Builder seeking reorganization or arrangement of the Builder under the federal bankruptcy laws, and such adjudication, order or decree shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

(e) If the Development is in default under any Mortgage and has not entered into a work-out agreement with the holder of the Mortgage.

Section 8.2. Remedies on Default. Whenever any Event of Default occurs, the HRA may, in addition to any other remedies or rights given the HRA under this Agreement, take any

one or more of the following actions following written notice by the HRA to the Builder as provided in Section 9.3 of this Agreement:

(a) Suspend its performance under this Agreement until it receives assurances from the Builder, deemed reasonably adequate by the HRA, that the Builder will cure its default and continue its performance under this Agreement;

(b) Cancel or rescind this Agreement;

(c) Exercise its right under Section 8.3;

(d) Withdraw all funds in the escrow account established in Section 5.1;

(e) Withhold the Certificate of Completion; or

(f) Take whatever action at law or in equity may appear necessary or desirable to the HRA to enforce performance and observance of any obligation, agreement, or covenant of the Builder under this Agreement; provided, however, that any exercise by the HRA of its rights or remedies hereunder shall always be subject to and limited by, and shall not defeat, render invalid or limit in any way (a) the lien of any Mortgage authorized by this Agreement and (b) any rights or interest provided in this Agreement for the protection of the holders of a Mortgage; and provided further that should any holder of a Mortgage succeed by foreclosure of the Mortgage or deed in lieu thereof to the Builder's interest in the Property, it shall, notwithstanding the foregoing, be obligated to perform the obligations of the Builder under this Agreement to the extent that the same have not therefore been performed by the Builder.

Section 8.3. Revesting Interest in HRA Upon Happening of Event of Default Subsequent to Conveyance of Property to Builder. In the event that subsequent to the closing or the sale of the Property to the Builder and prior to the issuance of the Certificate of Completion:

(a) The Builder fails to begin construction of the Improvements in conformity with this Agreement, and such failure is not due to Unavoidable Delays;

(b) The Builder, after commencement of the construction of the Improvements, defaults in or violates obligations with respect to the construction of the Improvements, including the nature and the date for the completion thereof, or abandons or substantially suspends construction work, and such act or actions is not due to Unavoidable Delays;

(c) The Builder or successor in interest fails to pay real estate taxes or assessments on the Property or any part thereof when due, or places thereon any encumbrance or lien unauthorized by this Agreement, or suffers any levy or attachment to be made, or any supplier's or mechanic's lien, or any other unauthorized encumbrance or lien to attach;

(d) There is, in violation of Article VII of this Agreement, any transfer of the Property or any part thereof; or

(e) The Builder fails to comply with any of its covenants under this Agreement,

then the HRA shall have the right upon 30 days' written notice to Builder and the Builder's failure to cure within such 30 days period, to re-enter and take possession of the Property and to terminate and re-vest in the HRA the interest of the Builder in the Property; provided, however, that such re-vestiture of title shall be subject to the lien of any prior encumbrance permitted under this Agreement, or any right of a Homeowner pursuant to a valid Purchase Agreement authorized by this Agreement.

Section 8.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to the HRA is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the HRA or the Builder to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article VIII.

Section 8.5. No Additional Waiver Implied by One Waiver. In the event of the occurrence of any Event of Default by either party, which Event of Default is thereafter waived by the other party, such waiver shall be limited to the particular Event of Default so waived and shall not be deemed to waive any other concurrent, previous or subsequent Event of Default.

ARTICLE IX.

ADDITIONAL PROVISIONS

Section 9.1. Conflict of Interests; Representatives Not Individually Liable. No HRA officer who is authorized to take part in any manner in making this Agreement in his or her official capacity shall voluntarily have a personal financial interest in this Agreement or benefit financially there from. No member, official, or employee of the HRA shall be personally liable to the Builder, or any successor in interest, for any Event of Default by the HRA or for any amount which may become due to the Builder or successor or on any obligations under the terms of this Agreement.

Section 9.2. Non-Discrimination. The provisions of Minnesota Statutes Section 181.59, which relate to civil rights and non-discrimination, and any affirmative action program of the City shall be considered a part of this Agreement and binding on the Builder as though fully set forth herein.

Section 9.3. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is sent by mail, postage prepared, return receipt requested or delivered personally:

(a) As to the HRA:

Richfield HRA
Executive Director
6700 Portland Avenue South
Richfield, MN 55423

(b) As to the Builder:

Dustin Endres
Endres Custom Homes, Inc.
15561 Dunberry Way
Apple Valley, MN 55124

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section 9.3.

Section 9.4. Counterparts. This Agreement may be simultaneously executed in any number of counterparts, all of which shall constitute one and the same instrument.

Section 9.5. Extensions. Any extension to the Closing Date and/or extension to Construction Completion Date that exceeds 6 months from the date agreed to in Section 3.7 and 4.3, respectively, must be approved by the HRA Board. HRA staff is authorized to extend the Closing Date to a date less than 6 months from the Closing Date agreed to in Section 3.7 and extend the Construction Completion Date to a date less than 6 months from the Construction Completion Date agreed to in Section 4.3.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

[signature pages follow]

EXHIBIT B
PROGRAM GUIDELINES – LOT SALE PROGRAM

RICHFIELD REDISCOVERED
PROGRAM GUIDELINES
LOT SALE PROGRAM

REVISED: March 20, 2017

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This document has been developed as a guidance tool for program administration. It should not be interpreted as constituting any contractual agreement or liability by the City or Housing and Redevelopment Authority (HRA). The HRA may modify or divert from the guidelines where it deems appropriate.

I. Program Objectives

1. To remove substandard, functionally obsolete housing on scattered sites throughout the City and replace with new, higher-valued housing.
2. To eliminate the blighting influence of substandard housing, thus improving residential neighborhoods.
3. To alleviate the shortage of housing choices for families.
4. To facilitate the construction of larger three- to four-bedroom, owner-occupied homes designed for families.
5. To facilitate the construction of multi-unit, owner-occupied homes designed to expand family opportunities or to serve elderly residents.

These objectives will be achieved through the sale of lots by the Housing and Redevelopment Authority to Builder/Buyer teams for the development of newly constructed homes.

II. Definitions

Applicant: An individual who submits an application for a Richfield Rediscovered lot. The Applicant may be a Builder or the end Buyer. If the Applicant is a Builder, an end Buyer should be identified. If the Applicant is the Buyer, the Applicant must submit a signed contract between the Builder and the Buyer to build a home on the lot identified in the application.

Buyer: An individual(s) who will build, own and occupy a new housing unit in Richfield.

The Buyer will occupy the property and not offer it for rent. The Buyer may not also function as the Builder on a Richfield Rediscovered project. The Buyer and Builder must be unrelated separate legal entities. A speculative project by a Buyer may be considered if all other program requirements can be met. However, neither the Buyer, the Buyer's Builder or Builder's subcontractors, or the Builder's realty agents may occupy or purchase the property.

Buyers, unless licensed in the trade specified, may not put any sweat equity into the construction of the foundation, wall/roof framing, shingling, exterior work, electrical/plumbing/HVAC systems or interior carpentry.

A Buyer, and all members of his/her household, is limited to building a home through the program no more than once every seven years.

Builder: Licensed Contractor who has signed a contract with the Buyer to build a home on the lot identified in the application.

Contract for Private Development: A contract between the HRA and the Builder or Buyer that establishes the conditions under which the lot will be sold and the proposed house will be developed.

Green Community Concepts Plan: A written plan indicating how the proposed development will incorporate green building features and concepts. Priority will be given to projects that incorporate green building features.

HRA: Housing and Redevelopment Authority in and for the City of Richfield.

Lot List: A listing of available lots for sale. Information regarding the lot location, size and sale price is provided.

III. Program Basics

1. HRA publishes a list of available vacant lots for purchase including sale price and development criteria.

2. Builder/Buyer team proposes a plan for a lot consistent with development criteria and program requirements and makes an offer to purchase.
3. HRA may issue a Request for Proposals for a specific lot(s) with a specific submittal deadline. HRA staff review all Proposals submitted by the deadline for consistency with development criteria and program requirements. The Proposal that best meets the criteria and requirements is selected to develop the lot.
4. HRA approves lot sale.
5. Lot is sold to Builder or Buyer.
6. Builder constructs new home.
7. Projects must be completed within one year of HRA approval of the project.

IV. Application Requirements

The following must be submitted for application to the program:

1. \$550 application fee
An application fee must be paid at the time of application. This fee is non-refundable and is not part of the lot price.
2. Application Form
3. Floor plans
The layout of all levels, including basement and unfinished space, must be provided.
4. Elevations
Elevations of all four sides of the house, including view of garage shall be provided. Colored renderings may also be required.
5. Site plan
The site plan shall indicate the location of the new house, walkways and garage.
6. Landscaping plan
A landscaping plan must indicate the location and type of trees, shrubbery, flowers and landscaping materials (e.g. rocks, mulch) and any existing trees to be preserved.
7. Detail of construction materials to be used on the project.
8. Green Community Concepts Plan
The plan should indicate what Green Community Concepts will be incorporated into the project.
9. Construction timeline
Construction must be completed with one year of the purchase of the property.
10. Signed contract with Builder
11. Purchase agreement
If the Builder plans to purchase the lot, the application must include a valid purchase agreement between the Buyer and the Builder for the lot to be developed.
12. Financial capability statement
A statement from a financial institution indicating willingness to provide sufficient construction capital to complete the project must be provided.
13. Builder References
 - a. Five previous customers
 - b. Three major suppliers, one being the construction supplier

- c. Building inspectors from two cities where the Builder has constructed new housing within the past three years
14. Proof of Builder's Comprehensive General Liability with Property Damage Protection.
15. Proof of sufficient worker's compensation insurance coverage by the Builder.
16. Written warranty program
To be provided to the Buyer, which guarantees at a minimum, warranted repairs as required by Minnesota State Statute.

V. Additional Program Requirements

1. The Applicant is expected to meet with an architectural/design consultant prior to submitting an application. A two-hour consultation is available through the HRA at a cost of \$25 to the applicant. See the City's website (www.cityofrichfield.org) for more information. This requirement may be waived if the applicant is using an architect for the project.
2. The site will be sold to the Builder or Buyer at the fair market value as appears on the Lot List. The HRA will not accept offers for less than the established sale price.
3. A Contract for Private Development is signed by the HRA and the Builder or the Buyer. The Contract is a standard form which includes conditions for acquisition and development of the property. The Contract will establish a minimum required end-value for the property based on construction estimates provided by the applicant. The Builder or Buyer will be expected to agree to the terms of the Contract before the application can be scheduled on the HRA agenda.
4. The lot can be sold to either the Builder or the Buyer. If the lot is sold to the Builder, the Builder will pay cash for the lot at closing and submit a Letter of Credit or cash escrow for \$10,000. The Letter of Credit must be from a financial institution incorporated in the Twin Cities metropolitan area. The cash escrow will be held in a non-interest bearing account. The Letter of Credit or cash escrow will be released once the construction and landscape work are completed and a final Certificate of Occupancy is issued.
5. If the lot is sold to the Builder and the Builder fails to complete construction as approved by the HRA, the Letter of Credit or cash escrow may be drawn upon by the HRA. In addition, the Contract for Private Development will contain a reverter provision, which will enable the HRA to reclaim ownership of the property in the event of a default in the Contract. In the event that the Builder fails to complete construction, the HRA may exercise its rights under the reverter provision, as well as draw upon the Letter of Credit or cash escrow.
6. If the lot is sold to the Buyer, the Buyer will pay cash for the lot at closing and a \$10,000 mortgage in favor of the HRA will be filed on the property. The mortgage will be in first position. The HRA may consider subordinating its interest in appropriate cases.
7. If the lot is sold to the Buyer and the Buyer fails to complete construction as approved by the HRA, the HRA may exercise its rights provided in the mortgage.
8. A Buyer, and all members of his/her household, is limited to purchasing no more than one lot every seven years.

VI. House Design and Site Development Requirements

The development of all sites shall meet the development criteria listed below, as reviewed and approved by the HRA. To maximize the development of a given lot, the HRA reserves the right to explore all development options without obligating the HRA to support any specific proposal, idea or solicitation.

Housing design is a critical element of the program. Siding materials, exterior façade presentation, roof, window, siding and building line variability, finished landscape, interior space function and use are all important issues of design to the HRA. The design requirements were created to ensure that the homes built on the HRA-sold lots blend in with the surrounding neighborhood and respond to the specific concerns of the HRA.

All new houses built under the Richfield Rediscovered Program must meet the requirements of the City's Zoning Code and additional criteria, as listed in this document.

A. New House Standards

1. New dwelling must be owner-occupied.
2. Three finished bedrooms are required, at a minimum.
3. Two finished bathrooms are required, at a minimum.
4. Two-car garage is required, at a minimum.
5. A full basement is required, unless the selected design results in a split-level or a garden-level type of basement. In the case of an "accessible" house, a basement may be omitted if it would otherwise prohibit accessible design elements.

B. Site Standards

1. After construction, the site must be fully landscaped, including plantings around the foundation. The entire grounds shall be landscaped and be aesthetically pleasing in all seasons. Land forms and plant materials shall be used to define the site and blend neatly with adjoining properties. Specific lot line blending requirements may be required, as appropriate, for specific sites.

At a minimum, the applicant must meet the "Landscaping and Screening Requirements" in the City's Zoning Code under Section 544.03, Subd. 4, [General landscaping requirements](#) and Subd. 5, [Residential sites](#). The code is available on the City's website: <http://www.ci.richfield.mn.us>

To the greatest extent possible, existing trees should be preserved. Any trees removed must be replaced (they do not have to be the same species or in the same location) and should be labeled on the required landscape plan.

2. Utility meters shall be screened from street view and locations must be specified on plans.
3. Site drainage should be accommodated on the site so that water is directed away from the new home and the neighboring properties. Neighboring properties must not be disturbed by the creation of drainage swales. Specific storm water management requirements may be required, as appropriate, including the addition of gutters or on-site management for specific sites. Construction and the finished structure must not have a detrimental impact on storm water drainage patterns in the neighborhood.
4. All air conditioning units must be located in the rear yard of the house, or as approved by the HRA.

C. Construction Requirements

1. Existing trees identified on the landscape plan as being preserved, must be protected during construction. A tree wrap with board reinforcements shall be used on trees directly adjacent to active grading and construction areas. Damaged or destroyed trees must be replaced.

2. The construction site, neighboring properties and adjacent public streets shall be kept free of construction debris at all times.
3. No construction workers, construction equipment or construction material shall encroach upon neighboring properties.
4. The property shall have a new sanitary service line installed to the City sanitary sewer main consisting of schedule 40 PVC or equivalent. If there is an existing 6" sewer stub at the property line, it must be lined with 4" schedule 40 PVC or equivalent to the City's sanitary main, and it must include a "donut" at the end with cement.

The line must be televised after installation to ensure the following:

1. There are no obstructions in the line.
2. The PVC liner is not protruding into the City's sanitary sewer main line.

D. General Standards

1. The value of the new home must meet or exceed the minimum value specified in the Contract for Private Redevelopment.
2. All homes in the Richfield Rediscovered Program must be stick-built or high-quality modular, new construction.
3. Exterior materials (siding, soffit, doors and windows) should be low-maintenance and durable. Brick, aluminum, vinyl and fiber cement siding are preferred. Natural cedar lap is acceptable if properly stained or painted. Hardboard panels or hardboard lap siding are prohibited. Roof valleys must have metal valleys and not be woven.
4. Unit height and mass of the new house shall be compatible with the scale of the surrounding homes in the neighborhood.
5. Plans must present a balanced and pleasing distribution of wall, door and window areas from all views.
6. The dominance of the garage door must be minimized through placement, architectural detail, door design and utilization and design of windows. Garages, where the garage door faces the street, shall not be located closer to the front lot line than the foremost facade of the principal building facing the front property line. Garage sidewalls that face the street should appear to contain habitable space. This can be accomplished by incorporating windows and other design elements into the garage wall that are in character with the remainder of the dwelling. For lots that have alley access, the garage should be oriented to access the alley.
7. All building plans must have been prepared in consultation with an architect or qualified draftsman. All requirements by the Building Inspections Division must be met.
8. All Richfield Rediscovered houses must meet or exceed Minnesota Energy Code requirements.
9. All new homes shall be built to provide high quality sound insulation. Recommendations for sound insulation measures may be provided on a site-by-site basis. All construction must conform to sound attenuation building standards as required by Zoning Ordinance Section 541.19 for properties located within the 2007 60-62 DNL Contour and 2007 63 or greater DNL contours.
9. If a variance is required to construct the proposed development, the HRA may, at its sole discretion, choose to reject the application.

10. If the HRA accepts an application that needs a variance(s), sale of the property will be contingent upon the applicant obtaining the necessary variance(s). The Applicant is responsible for applying for the variance(s) at its own expense. The HRA, as owner of the property, will, however, cooperate with the application.

E. Green Community Concepts

Priority will be given to projects incorporating the green community concepts listed below. Any concepts the applicant would like considered during the application process should be explained in a written plan submitted with the application. A \$5,000 rebate will be provided to the Applicant for projects that obtain certification through LEED for Homes, Minnesota GreenStar or Minnesota Green Communities.

1. *Protect and conserve water and soil.* To reduce water consumption, consider the use of water-conserving appliances, fixtures, and landscaping. Steps should be taken to minimize the loss of soil and sediment during construction and occupancy to reduce storm-water sediment and air pollution.
2. *Minimize energy consumption.* Reduce energy consumption by taking advantage of natural heating, cooling and day lighting, and by using energy-efficient appliances, equipment and lighting.
3. *Enhance indoor environmental quality.* Use non-toxic materials, ventilation and exhaust systems, and moisture control products and systems.
4. *Use environmentally-preferable materials and resources.* Use locally-produced, salvaged and/or manufactured materials, products with recycled content or from renewable sources, recyclable or reusable materials, and low-VOC-emitting materials.
5. *Reduce waste.* Reduce and manage wastes generated during the construction process and operation of buildings. If demolition occurs, sort and recycle leftover materials and debris.

VII. City Review Procedure

1. Applicant reviews proposed project with HRA staff before plans are finalized.
2. Applicant submits application, plans, and application fee at least 45 days prior to the HRA meeting.
3. An application is considered to be received when delivered personally to HRA staff in a pre-arranged meeting. If more than one application is submitted for a lot within five-working days, all applications will be reviewed, and the application that best meets the program guidelines will be selected. The application fee will be returned to the Applicant whose proposal was not selected. Following this five-day period, the lot will be considered reserved by the selected application and no additional applications will be accepted for the proposed lot while the application is being processed.
4. If an application is determined to be incomplete, the applicant will have 30 days to submit a complete application. If a complete application is not received within 30 days, the application will be rejected and the lot will be made available for new applications.
5. HRA staff review application to ensure conformance with House Design and Site Development Requirements.
6. HRA staff may reject or accept an application at its sole discretion.
7. HRA staff may choose to issue a Request for Proposals (RFP) for a lot. In this case, Staff issues an RFP, giving a specific time period within which proposals may be submitted. HRA staff review all proposals for consistency with development criteria and program requirements. The proposal that best meets the criteria and requirements is selected to develop the lot. The applicant will have 30 days to submit a complete application. If a complete application is not received within 30 days, the application will be rejected. Staff may elect to award the lot to another submitted proposal or solicit additional proposals.

8. The Builder or Buyer executes a Contract for Private Redevelopment.
9. An application is determined to be complete at least three weeks prior to the HRA meeting.
10. HRA staff publishes a legal notice of the public hearing and prepares a report and recommendation for the HRA.
11. HRA reviews application, conducts a public hearing, and takes action at the HRA meeting.
12. If approved, the Contract for Private Redevelopment is executed by the HRA.

VIII. Lot Sale to Builder or Buyer

1. Upon approval of the application by the HRA, a closing will be scheduled between the HRA and the Builder or Buyer.
2. The HRA will prepare all statements, affidavits, documents, and general release forms required for closing.
3. The Builder applies for a building permit prior to closing. The Builder is responsible for acquiring the necessary building permits with the City of Richfield Building Inspections Division. If changes to the plans are required by the Inspections Division, the applicant must notify HRA staff.
4. The Applicant provides evidence to HRA staff that all requirements to proceed with construction, as determined in the Contract for Private Redevelopment, have been met.
5. The HRA conveys the property to the Builder or Buyer by Quit Claim Deed. The site will be sold to the Builder or Buyer at the fair market value as appears on the Lot List.
6. At closing with the Builder, the Builder provides a Letter of Credit or cash escrow for \$10,000 to the HRA.
7. At closing with the Buyer, the Buyer signs a mortgage and promissory note for \$10,000 in favor of the HRA.
8. Upon completion of the project, the Letter of Credit or cash escrow is released to the Builder or the Buyer's mortgage is released. A Certificate of Completion is executed by the HRA, releasing the obligations of the Contract for Private Redevelopment.

IX. Program Marketing

Richfield Rediscovered program marketing is entirely at the discretion of the HRA. It may include the following:

1. *Buyer Solicitation.* The HRA may market the program to potential Buyers through promotional articles, direct mail, the Internet, or other methods as deemed appropriate. Buyers may be any financially capable individual or household, including first-time buyers, move-up buyers or empty-nesters.
2. *Public Promotion.*
 - a. The HRA will periodically provide information about the program through articles in city publications, on the City's web site, on the Community Cable channel, or via press releases to promote community awareness.
 - b. A public open house may be held to provide an opportunity for residents and other interested parties to collectively view the finished homes. The Parade of Homes Fall Showcase and Spring Preview may also accomplish this.
 - c. Photos will be taken of finished homes and may be used to promote the program.

A program information package will be mailed to all interested participants. The information packet may include the following:

1. Lot List
2. Richfield Rediscovered Lot Sale Procedural Guidelines
3. Application Form
4. Sample Contract for Private Redevelopment

X. Data Privacy

The HRA is subject to Minnesota Statutes Chapter 13 (the “Minnesota Government Data Practices Act”). Under the Minnesota Government Data Practices Act, the names and addresses of applicants for or recipients of assistance under this program and the amount of assistance received under this program are public data. All other financial information submitted to the HRA for purposes of the program application is considered private data.

EXHIBIT C

QUIT CLAIM DEED

Deed Tax Due: \$ _____

ECRV _____

Date: _____

FOR VALUABLE CONSIDERATION, Housing and Redevelopment Authority in and for the City of Richfield, a public body corporate and politic under the laws of the State of Minnesota, Grantor, hereby conveys and quit claims to _____, a _____ under the laws of the State of _____, Grantee, real property in Hennepin County, Minnesota, described as follows:

, according to the map or plat thereof on file or of record in the office of the Hennepin County Recorder.

This deed is subject to that certain Contract for Private Development between Grantor and Grantee, dated _____, 20__ (the "Contract"), recorded in the office of the Hennepin County **Recorder/Registrar of Titles**. The Contract provides that the Grantee's rights and interest in the real property described above are subject to the Grantor's right to re-enter and revest in Grantor title to the Property under conditions specified therein, including but not limited to termination of the Grantor's right to re-enter and revest upon issuance of a Certificate of Completion as defined in the Contract.

together with all hereditaments and appurtenances.

- The Seller certifies that the Seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number: _____).
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

Housing and Redevelopment Authority in and for the City of Richfield

By _____

Its Chairperson

By _____

Its Executive Director

STATE OF MINNESOTA

} ss.

COUNTY OF HENNEPIN

The foregoing was acknowledged before me this ____ day of _____, 20__ by _____, the Chairperson of the Housing and Redevelopment Authority in and for the City of Richfield, a public body corporate and politic under the laws of Minnesota, on behalf of the corporation, Grantor.

NOTARY STAMP

SIGNATURE OF PERSON TAKING ACKNOWLEDGMENT

STATE OF MINNESOTA

} ss.

COUNTY OF HENNEPIN

The foregoing was acknowledged before me this _____ day of _____, 20__, by _____, the Executive Director, of Housing and Redevelopment Authority in and for the City of Richfield, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the corporation, Grantor.

NOTARY STAMP

SIGNATURE OF PERSON TAKING ACKNOWLEDGMENT

This instrument was drafted by:

Tax Statements should be sent to:

Kennedy & Graven, Chartered
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-9300

EXHIBIT D

WELL DISCLOSURE

- The Seller certifies that the seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document [form attached] or has been electronically filed. (If electronically filed, insert WDC number: _____).
- The status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.



Minnesota Department of Health
Well Management Section
P.O. Box 64975
St. Paul, Minnesota 55164-0975
651-201-4587 or 800-383-9808
www.health.state.mn.us/divs/eh/wells

Well Disclosure Requirements

Well Disclosure Statement

Prior to signing an agreement to sell or transfer real property, the seller must **always** disclose in writing (well disclosure statement) the location and status (well status defined below) of all wells on the property to the buyer, along with the legal description and county of the property, and a sketch map showing the location of each well or indicate there are no wells on the property.

Well Disclosure Certificate

A Well Disclosure Certificate is required to be filed when there are wells on the property.

- At the time of closing, the well disclosure statement information, along with the property buyer's name and mailing address, must be provided on a Well Disclosure Certificate (WDC) form. When recording a deed or other instrument of conveyance requiring a Certificate of Real Estate Value (CRV), a completed WDC must be filed with the county recorder, including a \$50 fee payable to the county recorder.
- If there is a previously filed WDC and the number of wells and/or the well status has changed, a new WDC must be filed. You may search for previously filed WDCs at: [Well Disclosure Look-up](https://www.health.state.mn.us/divs/eh/wells/apps/disclosures/disclaimer.cfm) (<https://www.health.state.mn.us/divs/eh/wells/apps/disclosures/disclaimer.cfm>).
- If the number and status of wells on the property remain unchanged since the previously filed WDC, a statement must be placed on the deed or other instrument of conveyance that reads *"I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate."* This statement must be certified by the buyer or seller and no WDC is required.

If there are no wells on the property, a Well Disclosure Certificate is not required to be filed. However, the Seller must certify a statement on the deed or other instrument of conveyance that reads *"The Seller certifies that the Seller does not know of any wells on the described real property."*

Instructions for Completing the Well Disclosure Certificate

A \$50 fee must be included when submitting this form to the county recorder's office. The fee is to be paid by the buyer or person filing the deed. Please make the check payable to the County Recorder. A copy of this WDC should be provided to the property buyer at the time of closing.

Property, Buyer, and Seller Information

- A. Property Location Legal Description** – Provide the county name; "unplatted" a metes and bounds description (quartile [one quarter section is required] or government lot, section, township, and range number); and/or "platted" (lot number and/or block number, and addition name); property street address (if applicable), and city (this is the physical location of the property not the mailing address); property ID number or parcel number (optional). Attach a complete legal description of the property.
- B. Property Buyer Mailing Address After Closing** – Provide the buyer's full name (or company name if buyer is a company), full address, and phone number (including area code). Be sure to include a complete mailing address. If the property is jointly owned, provide the name and complete mailing address of the contact person.

Seller's Name – Please provide the name of the seller in space provided (please print).

C. Certification by Seller – The seller (or designated representative) should sign this certificate before it is submitted to the county recorder’s office. If the seller is unable to sign the document, the buyer (or designated representative) may sign the certificate before it is submitted to the county recorder’s office.

D. Certification by Buyer – If the seller is unable to sign the document, the buyer (or designated representative) may sign the certificate before it is submitted to the county recorder’s office. Where deeds are given in fulfillment of a **Contract for Deed** the WDC **must** be signed by the **buyer** or the person authorized to act on behalf of the buyer.

Signature Required – There must be at least one signature on the certificate.

Well Information

E. Well Location Legal Description – For **each well being disclosed** the following physical location information is required:

- county name, quartile (one quarter section is required), section, township, and range number; **and/or**
- county name, government lot, section, township, and range number; **and/or**
- county name, lot number and/or block number, and addition name

Well Status Information – Indicate the status of each well. **Check only one box.**

In Use – A well is “in use” if the well is operated on a daily, regular, or seasonal basis. A well “in use” includes a well that operates for the purpose of irrigation, fire protection, or emergency pumping.

Not In Use – A well is “not in use” if the well does not meet the definition of “in use” above and has not been sealed by a licensed well contractor.

- If the well is “not in use,” is there a Minnesota Department of Health (MDH) variance for this well? Please provide the variance tracking number (TN), if known.
- If the well is “not in use,” is there an MDH maintenance permit for this well? Please provide the permit number, if known.

Sealed – A well is “sealed” if a licensed well contractor has completely filled a well by pumping grout material throughout the entire well after removal of any obstructions from the well. A Well and Boring Sealing Record must be on file with MDH. Contact MDH to verify if a sealing record is on file. A well is “capped” if it has a metal or plastic cap or cover which is threaded, bolted, or welded onto the top of the well to prevent entry into the well.

A “capped” well is not a “sealed” well.

Important Well Status Information:

- MDH will follow-up with the property buyer regarding any wells disclosed as “not in use.” If a well is “not in use,” the property owner must either return the well to “in use,” have the well “sealed” by a licensed well contractor, or obtain an annual maintenance permit from MDH for \$175.
- Maintenance permits are not transferable. If a well is “in use,” a maintenance permit is not required.
- If the well has been “sealed” by someone other than a licensed well contractor or a licensed well sealing contractor, check the well status as “not in use.”

Additional Well Information – Provide the following information, if known: Minnesota Unique Well Number or Sealing Record Number, date of well construction or sealing, and name of licensed well contractor.

Sketch Map

Complete the sketch map as instructed on the WDC. The location of each well must be indicated. If the location of a well is not known, have the well located by a person qualified to locate wells, such as a licensed well contractor.

Additional Information

If you have questions, please contact MDH Well Management Section at 651-201-4587 or 800-383-9808.

To request this document in another format, call 651-201-4600.

MDH Well Management Section, [Well Disclosure/Property Transfer](http://www.health.state.mn.us/divs/eh/wells/disclosures) (www.health.state.mn.us/divs/eh/wells/disclosures).

COUNTY USE ONLY	<h2 style="margin: 0;">Well Disclosure Certificate</h2> <p style="margin: 0;"><i>Please Type Or Print All Information</i></p> <p style="margin: 0;">Person filing deed must include a \$50 fee payable to the county recorder.</p> <p style="margin: 0;">Minnesota Department Of Health Well Management Section, P.O. Box 64975, St. Paul, Minnesota 55164-0975 651-201-4587 or 800-383-9808</p>	MDH USE ONLY
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A. Property Location Legal Description				
Attach a legal description of the property.				
County	Section No.	Township No.	Range No.	Quarter (or Government Lot)
Lot No(s).	Block No.	Addition Name		Outlot
Property Street Address				
City/Township		ZIP Code	Property ID No./Parcel No. (optional)	

B. Property Buyer Mailing Address After Closing			
First Name	Middle Initial	Last Name	
Company Name (if applicable)			
Mailing Address			
Mailing Address			
City	State/Province	ZIP Code	Telephone No. (including area code)

Provide Name of Seller (please print): _____

C. Certification by Seller	
I certify that the information provided on this certificate is accurate and complete to the best of my knowledge.	
Signature of Seller or Designated Representative of Seller _____	Date _____

D. Certification by Buyer	
For fulfillment of a contract for deed, the buyer or person authorized to act on behalf of the buyer, must sign a Well Disclosure Certificate if there is a well on the property.	
In the absence of a seller's signature, the buyer, or person authorized to act on behalf of the buyer may sign this Well Disclosure Certificate. No signature is required by the buyer if the seller has signed above.	
Based on disclosure information provided to me by the seller or other available information, I certify that the information on this certificate is accurate and complete to the best of my knowledge.	
Signature of Buyer or Designated Representative of Buyer _____	Date _____

Important Note: Minnesota Department of Health (MDH) will follow-up with the property buyer regarding any wells disclosed as not in use. If a well is not in use, the property owner must either return the well to use, have the well sealed by a licensed well contractor, or obtain an annual maintenance permit from MDH for \$175. A copy of this Well Disclosure Certificate should be provided to the property buyer at the time of closing.

Building Permit Survey for: ENDRES CUSTOM HOMES, INC. at 6345 Bloomington Avenue South

PROPERTY DESCRIPTION

Lot 13, Block 10, GIRARD PARKVIEW, HENNEPIN COUNTY,
MINNESOTA.

LEGEND

- Iron Monument Found
- Iron Monument Set
- x Existing Elevation
- Concrete Surface
- Bituminous Surface
- S — Sanitary Sewer
- W — Watermain
- Inv. Invert Elevation
- PP-○ Power Pole
- AC □ Air Conditioner
- (x) Proposed Elevation
- □ — Proposed Silt Fence
- DS Downspout

Bench mark: Top nut of hydrant at the southwest corner of Bloomington Avenue South and 64th Street East. Elevation = 851.40 feet.

I hereby certify that this survey was prepared by me or under my direction and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Dated this 1st day of February, 2018

REHDER & ASSOCIATES, INC.



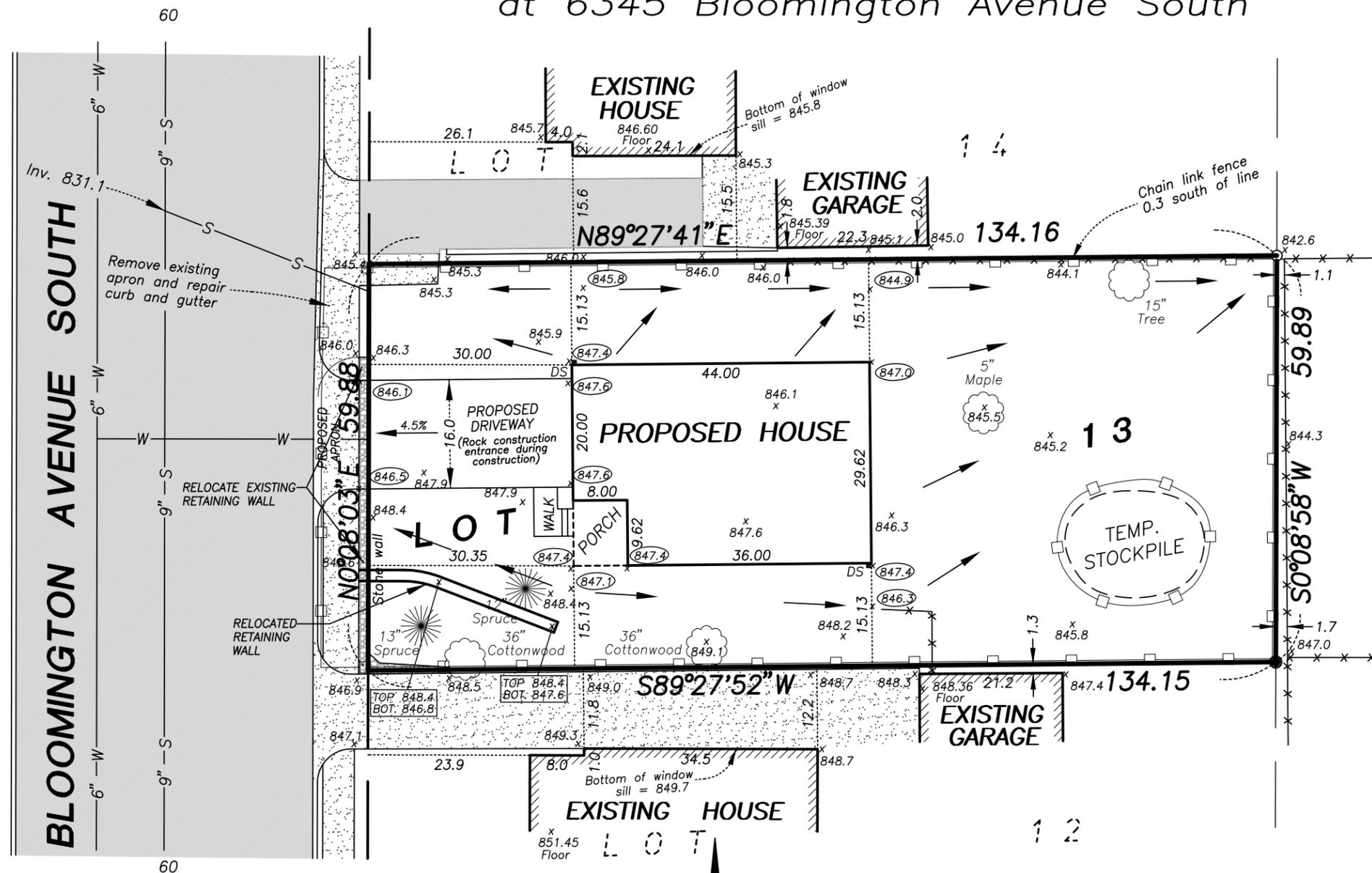
Gary C. Huber, Land Surveyor
Minnesota License No. 22036

Rehder and Associates, Inc.

CIVIL ENGINEERS AND LAND SURVEYORS

3440 Federal Drive • Suite 110 • Eagan, Minnesota • Phone (651) 452-5051

JOB: 184-2200.086



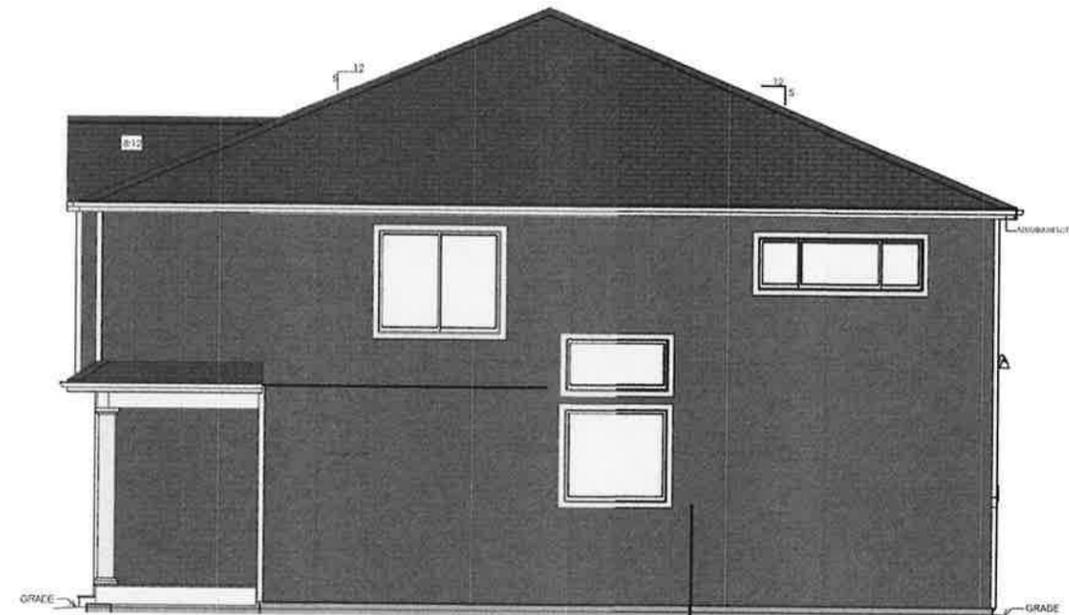
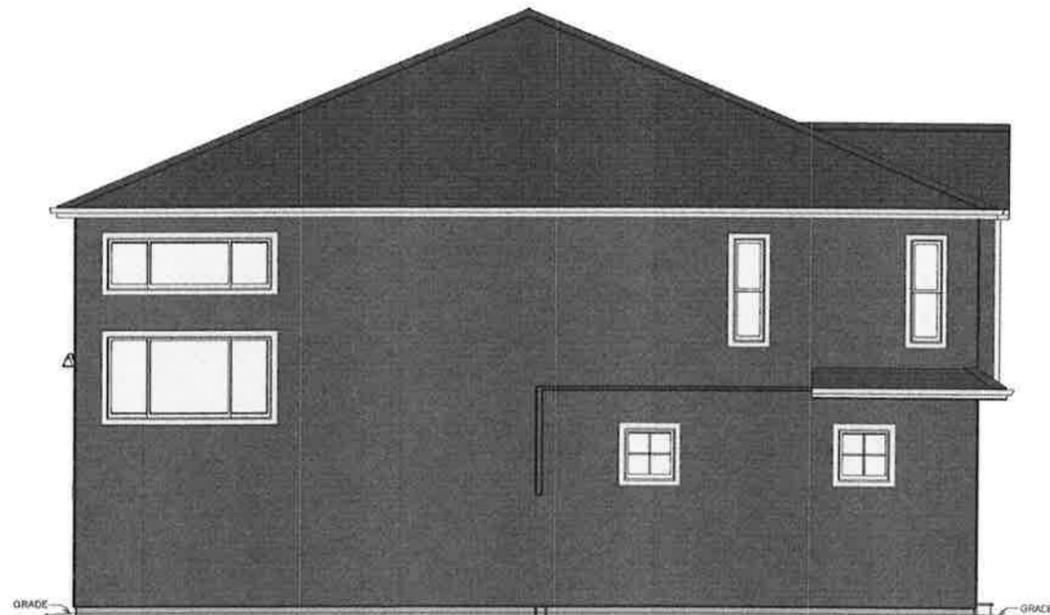
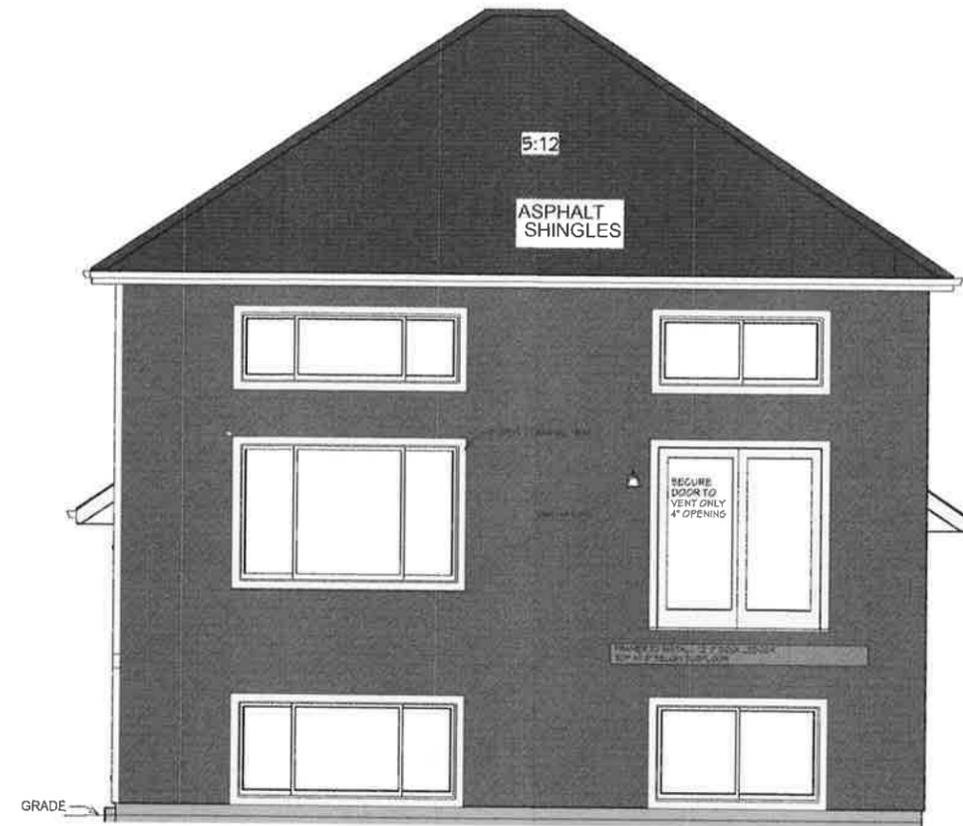
Lot Area = 8,033 square feet (0.18 acre)
 Area of proposed house = 1,226 square feet
 Area of proposed sidewalk = 34 square feet
 Area of proposed porch = 77 square feet
 Area of proposed drive = 481 square feet
 Total of proposed impervious area = 1,818 square feet

Proposed Material Excavated = 440 C.Y.
 Proposed Stockpiled Material = 100 C.Y.
 Proposed Material Hauled Off-site = 340 C.Y.



Scale: 1 inch = 20 feet

Proposed Garage Floor Elevation = 847.6
 Proposed Basement Elevation = 844.76
 Proposed Top of Foundation Elevation = 847.93



REVISION TABLE			
NUMBER	DATE	REVISION BY	DESCRIPTION

6421 14TH AVE S
RICHFIELD

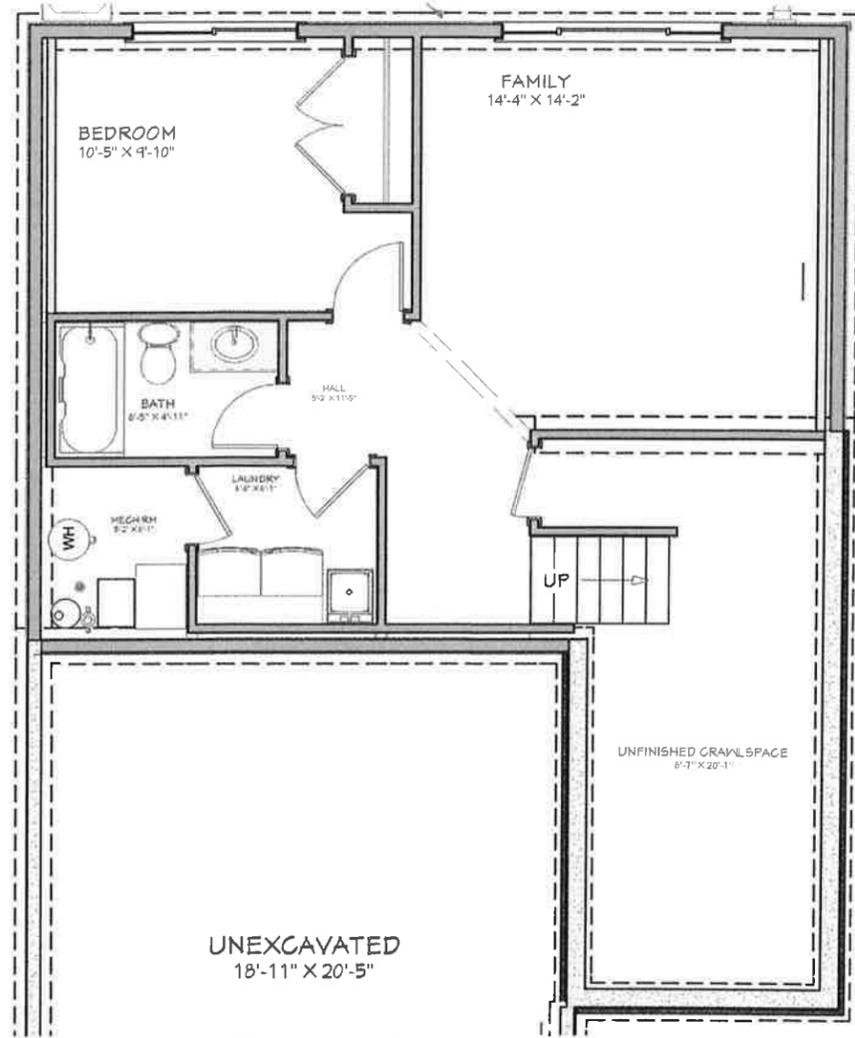
DRAWINGS PROVIDED BY:
Endres
custom homes
13561 Dunbar Way, Apple Valley, MN 55124

DATE:
11/16/2017

SCALE:

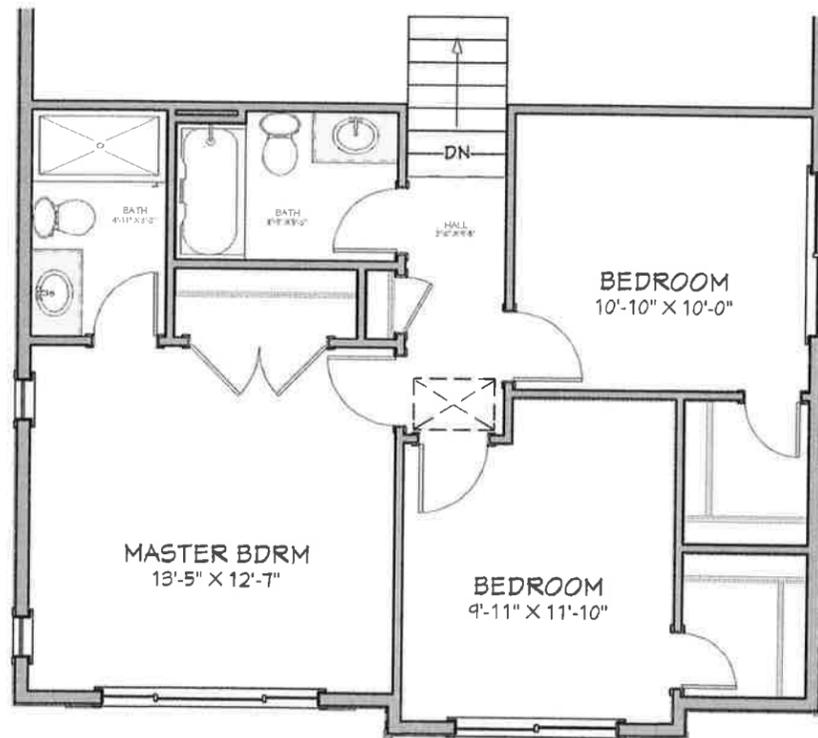
SHEET:

A1

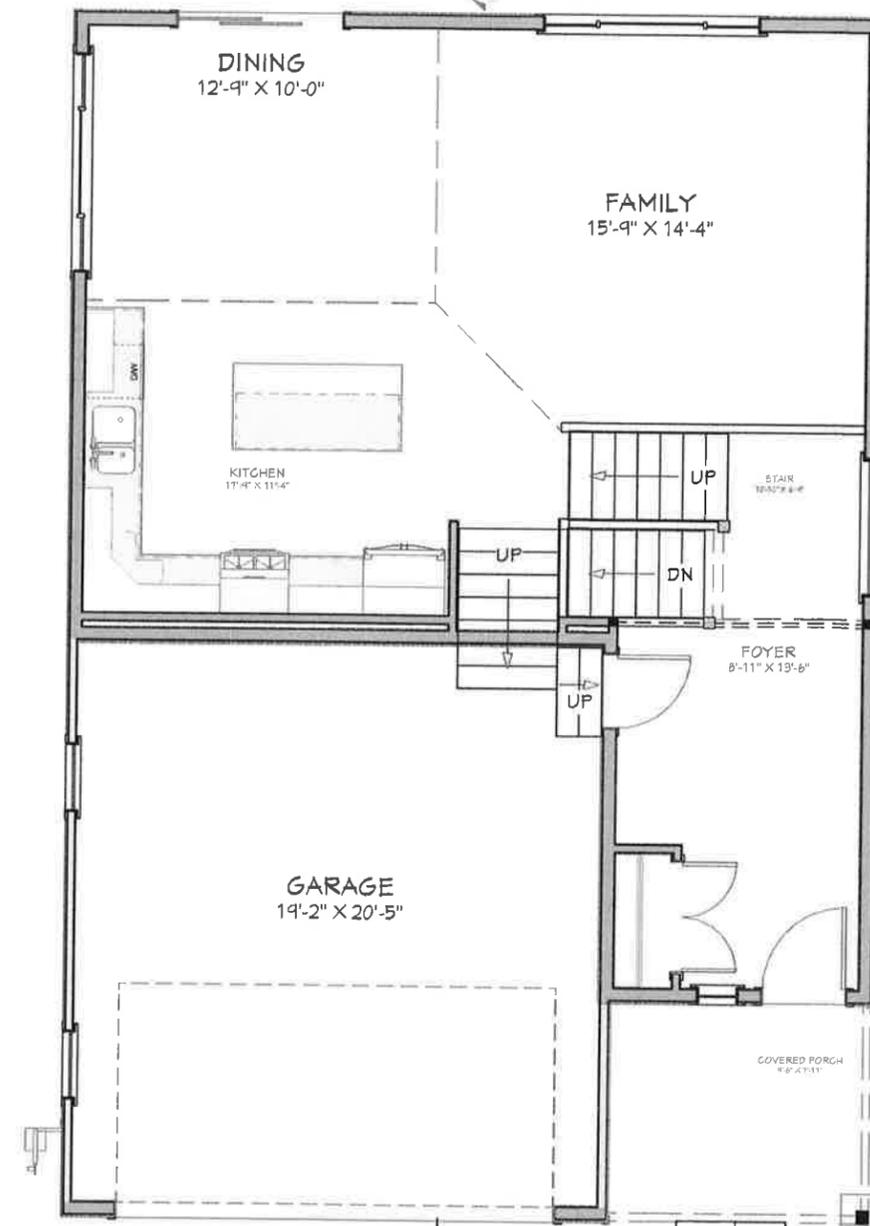


UNEXCAVATED
18'-11" x 20'-5"

Basement



Second Floor



Garage, Foyer & Main Floor

REVISION TABLE	
NUMBER	DATE

6421 14TH AVE S
RICHFIELD

DRAWINGS PROVIDED BY:
Endres
custom homes
15561 Durberry Way, Apple Valley, MN 55124

DATE:

11/16/2017

SCALE:

SHEET:

A2





STAFF REPORT NO. 7
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
2/20/2018

REPORT PREPARED BY: Kate Aitchison/Celeste McDermott, Housing Specialists

DEPARTMENT DIRECTOR REVIEW: John Stark, Community Development Director
2/14/2018

OTHER DEPARTMENT REVIEW: N/A

CITY MANAGER REVIEW: Steven L. Devich, Executive Director
2/14/2018

ITEM FOR COUNCIL CONSIDERATION:

Consideration of a settlement of a Housing and Redevelopment Authority Deferred Loan at 6500 Woodlake Drive, Unit #405.

EXECUTIVE SUMMARY:

In 2016, Joanne Dominquez (Homeowner) was issued a Richfield Rehabilitation Deferred Loan in the amount of \$18,463.49 for her condominium located at 6500 Woodlake Drive, Unit #405. The funds were used to install new windows and complete repairs to the plumbing and electrical systems in her home. In October of 2017, the Homeowner became too ill to remain living on her own and moved into an assisted living facility in St. Paul. She now needs to sell her assets to pay for assisted living. She has a signed Purchase Agreement for the sale of her condo for \$68,000, which is less than the amount of debt owed against the property. She is asking the Housing and Redevelopment Authority (HRA) to forgive a portion of its lien in order to complete the sale and avoid foreclosure.

RECOMMENDED ACTION:

By motion: Approve a proposal made by the representatives of the owner of 6500 Woodlake Drive, #405 for a settlement of a \$18,463.49 Deferred Loan in the amount of \$1,800.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- Hennepin County, acting on behalf of the Richfield HRA, issued a Deferred Loan to the Homeowner in 2016, for \$18,463.49.
 - The funds were used to install new windows, complete minor repairs/updates to the bathroom, plumbing, and electrical service.
- In October 2017, the Homeowner became ill and was no longer able to live independently in her condo.
- The Homeowner contacted a realtor and had the condo listed for sale on the Multiple Listing Service (MLS).
 - The condo was listed for sale on December 1, 2017 for \$74,900, and an offer was accepted in early January for \$68,000.
 - This first short-sale offer was revoked due to the buyers changed circumstance. The condo

was immediately relisted.

- A new purchase agreement was accepted on January 12, 2018 for \$68,000.
- The condo continues to remain listed on the MLS, but no higher offers have been received.
- In addition to a short-sale settlement with her primary mortgage, the Homeowner also needs to pay her monthly association dues, which have accrued while she pursues the sale of her condo.
- The homeowner will need to use her remaining savings to settle her other debts at closing.
- All lien-holders of the property are being asked for settlements of their liens. At this point the Homeowners Association will be fully repaid.
-

DEBT	AMOUNT OWED	SETTLEMENT AMOUNT PROPOSED
Union Bank and Trust (primary mortgage)	\$59,000.00	\$54,969.30
Richfield HRA	\$18,463.49	\$ 1,800.00
Northstar Capital (other judgements)	\$ 4,999.00	\$ 2,500.00
Homeowners Association Dues	1,138.00	\$ 1,138.00

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

- The Deferred Loan Program provides loans to Homeowners earning less than 80 percent of the Twin Cities Area Median Income (AMI) to make repairs and improvements that address health, safety and/or property maintenance items. Most recipients of the Deferred Loan earn less than 50 percent of the Twin Cities AMI.
- The entire loan amount is due and payable if the property is sold within the 30-year period, regardless of the number of years remaining on the loan.
- The Deferred Loan Program is funded with federal Community Development Block Grant (CDBG) funds. There is no federal requirement that the money be repaid.
- The Mortgage Foreclosure Response Program Procedural Guidelines state as follows: “Staff will consider short sale offers and negotiate as high of repayment as possible. Action will be taken quickly so as to not disrupt the short sale opportunity and cause the homeowner to enter into foreclosure.”
- Hennepin County, who administers the Deferred Loan for Richfield and other communities, considers a 10% loan settlement to be a reasonable settlement in a short-sale situation.
- The HRA has received eight requests for a short sale settlement in the past five years. The following settlements have been reached:

YEAR	LIEN AMOUNT	AMOUNT REPAID	% RECAPTURED
2017	\$ 10,000	\$ 2,000	20.0%
2016	\$ 10,345	\$ 1,000	9.7%
2014	\$ 8,238	\$ 500	6.1%
2014	\$ 15,892	\$ 2,384	15.0%
2013	\$ 30,000	\$26,094	87.0%
2013	\$ 10,080	\$ 5,040	50.0%
2012	\$ 26,000	\$ 2,600	10.0%

C. CRITICAL TIMING ISSUES:

- According to the signed Purchase Agreement and related documents, the sale needs to occur by February 28, 2018.
- To avoid accruing additional mortgage payments or homeowner association (HOA) fees, the sale of the condo would ideally occur by February 28, 2018.
- If the sale does not occur by the end of February, the homeowner risks a further short sale or foreclosure by being unable to pay her primary mortgage. This will extend the timeline substantially, leaving the unit vacant for a longer duration.

D. FINANCIAL IMPACT:

- Any repaid funds would be returned to the Deferred Loan Program for future loan recipients.
- The attached letter from the Homeowner describes the financial and personal difficulties she has encountered that have led to the need to sell her home.

- The HRA has a subordinated position to the primary lender. If the property is foreclosed by the lender, the HRA would likely receive nothing.
- The loan was funded with CDBG funds. The HRA established the requirement that a borrower must repay the loan at the sale of the property. There is no federal requirement to repay the funds.

E. LEGAL CONSIDERATION:

- The HRA has the authority to negotiate a settlement or forgive the loan.

ALTERNATIVE RECOMMENDATION(S):

- Deny the proposal for the settlement of a \$18,463.49 Deferred Loan in the amount of \$1,800.
- Approve a settlement of the Deferred Loan for a different amount.

PRINCIPAL PARTIES EXPECTED AT MEETING:

Lisa Wold, Realtor - Lakes Area Realty

ATTACHMENTS:

Description	Type
▢ Hardship Letter - 6500 Woodlake Dr #405	Backup Material

December 21, 2017

Regarding property address

6500 Woodlake Drive #405
Richfield, Minn. 55423

I am writing you to request the approval of the short sale of my housing and redevelopment loan.

In October of 2017 I became very ill and could not continue to work so my doctor said I needed to move into assisted living full time as I could no longer care for myself.

On November 28 I moved to Summit Hill assisted living.

I need to sell my condo and am more than the condo is worth. I do not have the funds available to cover any shortfall and am hopeful that you will approve the short sale so the sale of the condo can move forward.

Kind Regards

Josue Dominguez