



**SPECIAL CONCURRENT CITY COUNCIL AND HOUSING AND REDEVELOPMENT  
AUTHORITY WORKSESSION  
RICHFIELD MUNICIPAL CENTER, BARTHOLOMEW ROOM  
APRIL 15, 2019  
5:45 PM**

Call to order

1. Discuss Emerson Lane housing proposals

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.**

**CITY OF RICHFIELD, MINNESOTA**  
Office of City Manager

April 11, 2019

Council Memorandum No. 20

HRA Memorandum No. 3

The Honorable Mayor  
and  
Members of the City Council

Housing and Redevelopment  
Authority Commissioners  
City of Richfield

Subject: Development of Emerson Lane Site

Council Members and Commissioners:

On November 13, 2018, staff presented an overview of the HRA-owned site located at 6812 Emerson Lane and the proposal for five single-family homes submitted by Endres Custom Homes. No specific determination or direction was chosen at the work session; however, the builder continues to be interested in developing the property. At the upcoming HRA and Council work session on April 15, staff will revisit the site and the proposed development.

**Site Background**

The 1.3 acre property is located between Interstate 35W and Emerson Avenue, just north of Wood Lake Nature Center (Attachment A). The property was purchased by the HRA in 2005 and is zoned and guided for single family residential.

The property was purchased in 2005 for the purpose of building new single-family homes under the Richfield Rediscovered (RR) program. When staff began marketing the property to builders, the housing market had begun its downturn, and interest was scarce.

Over the past few years, the HRA has fielded the following inquiries for the property:

- **Summer 2014** – A neighbor expressed interest in subdividing the property and building three single family homes. No formal application was submitted.
- **Spring 2017**– An individual proposed building three slab-on-grade homes. No formal application was submitted.
- **Spring 2018** – A neighbor expressed an interest in building one single family home. No formal application was submitted.
- **Spring 2018** – A neighbor expressed an interest in purchasing the lot from the HRA for \$10,000.
- **Spring 2018** – Dustin Endres of Endres Custom Homes made inquiries about the lot and began researching the City requirements to build five homes.

- **Fall 2018** – Neighbors sent a letter to the HRA expressing their opposition to housing development and desire for it to be recognized as part of Wood Lake Nature Center.

Staff have also discussed the site with the Minnesota Department of Transportation (MnDOT), Public Works, and Recreation Services; however, none have expressed a need or interest in the property. In the case of Recreation Services, the only possibility for the site would be either a dog park or an archery range; however, costs of development are prohibitive.

### **Proposed Housing Development**

The current proposal by Endres Custom Homes is for five single-family homes (Attachment B):

- The homes would be based on the same split-level model with varying rooflines, siding patterns and exterior colors. Each home would have four bedrooms, three bathrooms, and an attached two-car garage. The estimated sale price would be \$345,000.
- The homes would receive sound-attenuation upgrades to mitigate the noise of nearby Interstate Highway 35W.
- Two buyers have expressed interest in buying homes here, and the builder feels confident that other buyers would respond once listed on the Multiple Listing Service (MLS).
- A public road with turnaround would be constructed to provide access for emergency vehicles.

The cost to prepare the property for development of five homes is estimated at \$300,000. This includes the cost of site preparation, road construction and utility installation. These costs are beyond the normal costs undertaken at other RR lots because utility mains would need to be constructed, and the public road would need to be extended. The HRA would likely not receive any sale proceeds under this scenario because they would be used to offset the high cost to develop the property.

### **Alternative Housing Scenarios**

At the work session on November 13 policymakers considered the development of fewer than five homes on the property. The feasibility of those alternatives is as follows:

- The construction of **three or four homes** would also require a public road and utility mains to be constructed, costing \$300,000. With fewer homes to absorb these costs, significant up-front investment from the HRA would be required for a viable development. An estimated \$60,000 - \$120,000 in additional cash would be needed to make three to four homes feasible. Staff does not view this as a wise use of scarce HRA resources so is not recommending this scenario.
- Reducing the development to **two homes** on the site allows for the construction of a private, shared driveway instead of a public road. This lowers development costs but also adds the additional cost and burden of installing and maintaining

shared utilities and the driveway. A small amount of sale proceeds may be realized, depending on the final cost of the shared utilities.

- The construction of **one home** would include the installation of a private driveway and single-user utility lines, both of which would be significantly longer than a typical development and therefore more costly. Sales proceeds and an additional \$10,000 would likely be required to cover development costs.

Since 2005, the HRA has spent over \$335,000 for the acquisition, demolition and maintenance of this property. Under no scenario does the HRA recoup these acquisition and holding costs, except through property taxes over the long-term. (Attachment C)

## **Policies**

The following policies provide guidance in considering the development of the property:

1. The main objectives of the **Richfield Rediscovered Program** include:
  - a. To remove substandard, functionally obsolete housing on scattered sites throughout the City and replace with new, higher-valued housing;
  - b. To eliminate the blighting influence of substandard housing, thus improving residential neighborhoods;
  - c. To alleviate the shortage of housing choices for families; and
  - d. To facilitate the construction of larger three- to four-bedroom, owner-occupied homes designed for families.

There is high demand for new single family homes in Richfield, with nearly 200 individuals on the notification list for the program.

2. The **Comprehensive Plan** is the policy document that describes the community's vision for the future of Richfield. The Housing Goals and supporting policies included in the document support the goals of the Richfield Rediscovered program: the desire to provide a full range of housing choices and the creation of "move up" housing.
3. The **Inclusionary Housing Policy** states that "With regards to "scattered-site single family housing development," at least 20% of the units newly constructed or rehabilitated and converted to long-term affordability in any three-year period must meet the proscribed affordability requirements."
  - a. With the addition of five market-rate homes built at 6812 Emerson Lane, the percentage of affordable new homes constructed would be 24% for the 2018-2020 time period.

## **Land Use/Zoning Considerations**

The property at 6812 Emerson Lane is designated for Low Density Residential in the Comprehensive Plan and is zoned for single-family residential housing. In this zoning district, single-family dwelling units are permitted uses, up to seven units per acre.

If the development of five homes on the property proceeds for approvals, the plat of the property would come before the Richfield City Council for approval. Some of the proposed lots may be non-conforming in width (i.e., less than 50 feet).

### **Neighborhood Input**

The neighbors have expressed their concerns over the proposal for five homes. The attached letter to the HRA commissioners, dated October 2, 2018, states their opposition to any development of the property (Attachment D). A number of neighbors also attended the November 13, 2018, work session and voiced their concerns regarding the impact of development on property values, increased traffic on Emerson Avenue, house height and design, and impact of added households on a property that has been vacant since 2005.

Postcard notifications for this work session were mailed to the neighborhood on April 3. If a housing development proceeds for the site, an open house will be scheduled for the neighborhood to get more information about the builder, house plans and construction schedule.

### **Timing**

Mr. Endres, of Endres Custom Homes, initially contacted staff in the spring of 2018. He has buyers interested in building new homes in Richfield, who are awaiting a decision about this property for future construction.

Emerson Lane is scheduled for mill and overlay to be completed in 2020, so any utility improvements necessary for development should be completed beforehand to avoid damaging the newly refurbished road.

### **Questions to Consider**

The proposal raises the following questions for policymakers to consider:

1. Is housing the appropriate use for this HRA-owned site?
2. If housing is appropriate, what number of homes do you support for the property?

### **Next Steps**

- If policymakers support development of five housing units on the property, staff will encourage Endres Custom Homes to submit a formal proposal and request for development of the property. A development agreement would be brought to the HRA, and a plat application to the Council.
- If support is for one or two units, staff will encourage Endres to submit an application for the lot(s). If he is not interested, the lots will be marketed for sale through the Richfield Rediscovered Program.
- If policymakers determine that housing is not the appropriate use for the site, consideration of the appropriate use will be referred to the Planning Commission.

Respectfully submitted,

A handwritten signature in black ink that reads "Katie Rodriguez". The signature is written in a cursive, flowing style.

Katie Rodriguez  
City Manager

KR:ka

Email: Department Directors

# ATTACHMENT A

6812 Emerson Lane, Aerial Photo of the site



## ATTACHMENT B

Site plan and house design for proposal submitted for **5 homes** on Emerson Lane



Proposed House Plan and Photo of Constructed Homes submitted by Endres Custom Homes.



*Perspective from West*



*Perspective from East*



*Same house design/plan, built in 2018 on 16th Avenue double-lot*

## ATTACHMENT C

### **Summary of Development Costs - 6812 Emerson Lane**

	1 Home	2 Homes	3 Homes	4 Homes	5 Homes
<b>Development Costs*</b>	\$ (70,700)	\$ (95,000)	\$ (300,000)	\$ (300,000)	\$ (300,000)
<b>Lot Value</b> <i>Estimated at \$60k/lot</i>	\$ 60,000	\$ 120,000	\$ 180,000	\$ 240,000	\$ 300,000
<b>TOTAL HRA (Cost)/Gain</b>	\$ (10,700)	\$ 25,000	\$ (120,000)	\$ (60,000)	\$ -
<b>CITY TAX GAIN</b> <i>Estimated at \$2,050/house in annual tax to City and HRA</i>	\$ 2,050	\$ 4,100	\$ 6,150	\$ 8,200	\$ 10,250
<b>RETURN ON INVESTMENT (YEARS)</b>	169.2	75.9	74.2	48.3	32.8

*\*Acquisition and holding costs of \$335,000 not included.*

**ATTACHMENT D**

Letter sent to HRA Commissioners from Emerson Lane neighbors, dated October 2, 2018

Authentisign ID: 88861720-8182-4250-8016-028E04E6E2F95

October 2, 2018

City of Richfield  
6700 Portland Ave S  
Richfield, MN 55423

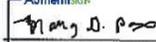
Dear Ms. Mary Supple, Mr. Michael Howard, Mr. Pat Elliot, Ms. Sue Sandahl and Ms. Erin Vrieze Daniels:

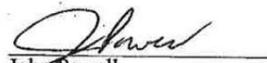
It has come to our attention that the vacant lot located at 6812 Emerson Lane, Richfield, MN 55423 is being considered for development. As current and adjacent property owners we, the undersigned, are vehemently opposed to any development of the property located at 6812 Emerson Lane, Richfield, MN 55423, which is greenspace and functions as part of the Wood Lake Nature Preserve. Furthermore, the existing and only access point is inadequate in size for accessing the lot.

We would also request of you formal, written notification prior to the next Public Hearing notifying us of when and where we can go on public record for the City of Richfield's Comprehensive Plan and voice our opposition for any development of 6812 Emerson Lane, Richfield, MN 55423.

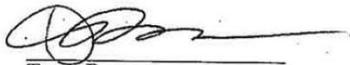
Sincerely,

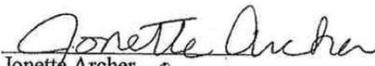
  
Jody Powell

Authentisign  
  
Nancy D. Paxon CDT

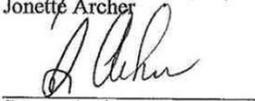
  
John Powell  
6800 Emerson Ln

X  
Authentisign  
  
David Paxon CDT  
6732 Emerson Ave S

  
Taryn Broer

X  
  
Jonette Archer

  
Bronson Broer  
6738 Emerson Ave S

X  
  
Steven Archer  
6720 Emerson Ave S

Authentisign  
*Kellie Zobeck*  
Kellie Zobeck  
JAN 23 10:59:28 AM CDT

Authentisign  
*Paul Zobeck*  
Paul Zobeck  
6714 Emerson Ave S

X *Jana Pan*  
Jana Pan  
6708 Emerson Ave S

*Ohnath Minh*  
Ohnath Minh

X *Sothy Minh*  
Sothy Minh  
6726 Emerson Ave S

cc: Mr. Steve Devich, Ms. Mary Tietjen, Mr. John Stark and Ms. Melissa Poehlman



**REGULAR HOUSING AND REDEVELOPMENT AUTHORITY MEETING  
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS  
APRIL 15, 2019  
7:00 PM**

Call to Order

Approval of the minutes of the: (1) Regular Housing and Redevelopment Authority meeting of January 15, 2019; (2) Special concurrent City Council, Housing and Redevelopment Authority, and Planning Commission work session of February 11, 2019; (3) Regular Housing and Redevelopment Authority meeting of February 19, 2019; and (4) Special concurrent City Council, Housing and Redevelopment Authority, and Planning Commission meeting of March 26, 2019.

**AGENDA APPROVAL**

1. Approval of the Agenda
2. **Consent Calendar contains several separate items which are acted upon by the HRA in one motion. Once the Consent Calendar has been approved, the individual items and recommended actions have also been approved. No further HRA action on these items is necessary. However, any HRA Commissioner may request that an item be removed from the Consent Calendar and placed on the regular agenda for HRA discussion and action. All items listed on the Consent Calendar are recommended for approval.**
  - A. Consider the approval of a proposed adjustment of payment standard for the Section 8 Rent Assistance voucher program.

Staff Report No. 14
  - B. Consider the approval of a Right of Entry Agreement with Twin Cities Habitat for Humanity for 6310 Irving Avenue.

Staff Report No. 15
3. Consideration of items, if any, removed from Consent Calendar

**PUBLIC HEARINGS**

4. Continue a public hearing to consider the sale of 6310 Irving Avenue to Twin Cities Habitat for Humanity for the construction of a single-family home.

Staff Report No. 16

**OTHER BUSINESS**

5. Consider revisions to the Inclusionary Housing Policy with regards to Housing and Redevelopment scattered-site programs.

Staff Report No. 17

**HRA DISCUSSION ITEMS**

6. HRA Discussion Items

### **EXECUTIVE DIRECTOR REPORT**

7. Executive Director's Report

### **CLAIMS AND PAYROLLS**

8. Claims and Payrolls

9. 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 15, 2019

## CALL TO ORDER

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

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

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

**OATH OF OFFICE OF RICHFIELD HOUSING AND REDEVELOPMENT AUTHORITY  
COMMISSIONER, PAT ELLIOTT**

**OATH OF OFFICE OF RICHFIELD HOUSING AND REDEVELOPMENT AUTHORITY  
COMMISSIONER, MARY SUPPLE**

**OATH OF OFFICE OF RICHFIELD HOUSING AND REDEVELOPMENT AUTHORITY  
COMMISSIONER, MARIA REGAN GONZALEZ**

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

**CONSIDERATION OF THE ELECTION OF OFFICERS AND DESIGNATION OF ASSISTANT  
TO THE SECRETARY FOR THE RICHFIELD HOUSING AND REDEVELOPMENT AUTHORITY  
FOR 2019. (S.R. NO. 1)**

Chair Supple opened nominations.

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

Motion carried 5-0.

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

Motion carried 5-0.

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

Motion carried 5-0.

M/Supple, S/Vrieze Daniels to elect Kate Aitchison to serve as assistant to the Secretary.

Motion carried 5-0.

**APPROVAL OF THE MINUTES OF THE: (1) SPECIAL CONCURRENT CITY COUNCIL, HOUSING AND REDEVELOPMENT AUTHORITY, AND PLANNING COMMISSION WORK SESSION OF NOVEMBER 13, 2018; AND (2) REGULAR HOUSING AND REDEVELOPMENT AUTHORITY MEETING OF NOVEMBER 19, 2018.**

M/Elliott, S/Sandahl to approve the minutes of the: (1) Special concurrent City Council, Housing and Redevelopment Authority, and Planning Commission work session of November 13, 2018; and (2) Regular Housing and Redevelopment Authority meeting of November 19, 2018.

Motion carried 5-0.

<b>Item #1</b>	<b>APPROVAL OF THE AGENDA</b>
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M/Vrieze Daniels, S/Sandahl to approve the agenda.

Motion carried 5-0.

<b>Item #2</b>	<b>CONSENT CALENDAR</b>
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Executive Director Stark presented the Consent Calendar:

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

RESOLUTION NO. 1318  
RESOLUTION DESIGNATING U.S. BANK A DEPOSITORY OF FUNDS OF THE HRA OF RICHFIELD FOR THE YEAR 2019

RESOLUTION NO. 1319  
RESOLUTION DESIGNATING CERTAIN SAVING AND LOAN ASSOCIATIONS, BANKS AND CREDIT UNIONS AS DEPOSITORIES FOR THE INVESTMENT OF HOUSING AND REDEVELOPMENT AUTHORITY OF RICHFIELD FUNDS IN 2019

RESOLUTION NO. 1320  
RESOLUTION DESIGNATING CERTAIN FINANCIAL INSTITUTIONS AS DEPOSITORIES FOR THE INVESTMENT OF HOUSING AND REDEVELOPMENT AUTHORITY OF RICHFIELD FUNDS IN 2019

- B. Consideration of the approval of an amended Contract with the Center for Energy and Environment to provide loan and remodeling advising services to Richfield homeowners for 2019. (S.R. No. 3)

- C. Consideration of the adoption of a resolution approving the Assignment and Assumption of Contract between NHH Companies, LLC, CPII Development, LLC, and the Housing and Redevelopment Authority. (S.R. No. 4)

RESOLUTION NO. 1321  
RESOLUTION APPROVING ASSIGNMENT OF CONTRACT FOR  
PRIVATE DEVELOPMENT

- D. Consideration of the adoption of a resolution approving execution of a Right of Entry Agreement with Cedar Point Investments, LLC, for the Cedar Point II properties owned by the Housing and Redevelopment Authority. (S.R. No. 5)

RESOLUTION NO. 1322  
RESOLUTION APPROVING THE EXECUTION AND DELIVERY OF A  
RIGHT OF ENTRY AGREEMENT WITH CEDAR POINT  
INVESTMENTS LLC

- E. Consideration of the adoption of a resolution approving collateral assignment of the Secondary Developer Tax Increment Financing Note to be issued by the Richfield Housing and Redevelopment Authority for the benefit of the Secondary Developer. (S.R. No. 6)

RESOLUTION NO. 1323  
RESOLUTION APPROVING COLLATERAL ASSIGNMENT OF  
SECONDARY DEVELOPER TIF NOTE

M/Regan Gonzalez, S/Elliott to approve the consent calendar.

Motion carried 5-0.

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

<b>Item #4</b>	<b>CONSIDERATION OF THE ADOPTION OF A RESOLUTION AUTHORIZING ACCEPTANCE OF A DONATION OF \$100,000 TO THE HOUSING AND REDEVELOPMENT AUTHORITY FROM AFFORDABLE SUBURBAN HOUSING AND APPROVAL OF PROGRAM GUIDELINES FOR DISTRIBUTING THE FUNDS THROUGH AN AFFORDABLE APARTMENT IMPROVEMENT GRANT PROGRAM. (S.R. NO. 7)</b>
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Housing Manager Julie Urban presented Staff Report 7, and provided some background information regarding the organization, Affordable Suburban Housing (ASH), offering the funding.

Commissioner Elliott asked about the amount of funding per unit and how the grant money and match funds will be used. Housing Manager Urban responded. Commissioner Elliott asked about the number of buildings that may be eligible for use of these funds and how the program will be marketed to landlords. Housing Manager Urban estimated that there are approximately 50 buildings in the community that may be eligible and that information will be sent out to eligible

landlords with eligible tenants. Commissioner Elliott stated his support for this program and suggested this may be something the HRA may consider continuing in the future.

Commissioner Regan Gonzalez expressed her support for the program and gratitude for the grant from ASH.

M/Sandahl, S/Vrieze Daniels to adopt a resolution authorizing acceptance of a donation of \$100,000 to the Housing and Redevelopment Authority from Affordable Suburban Housing for funding of an Affordable Apartment Improvement Grant Program and approve guidelines for the Affordable Apartment Improvement Grant Program, with guidelines amended to reduce the requirement for eligibility from ten years to five years tenancy, with priority given to renters who have lived in their unit for ten years or more.

RESOLUTION NO. 1324  
 RESOLUTION AUTHORIZING ACCEPTANCE OF A DONATION  
 RECEIVED BY THE HOUSING AND REDEVELOPMENT  
 AUTHORITY (HRA) AND TO AUTHORIZE THE HRA TO  
 ADMINISTER THE FUNDS IN ACCORDANCE WITH AFFORDABLE  
 APARTMENT IMPROVEMENT GRANTS PROGRAM GUIDELINES

Motion carried 5-0.

<b>Item #5</b>	<b>CONSIDERATION OF THE ADOPTION OF A RESOLUTION AUTHORIZING THE PURCHASE OF 6412 BLOOMINGTON AVENUE S. FOR FUTURE DEVELOPMENT AS A SINGLE-FAMILY HOME. (S.R. NO. 8)</b>
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Housing Specialist Kate Aitchison presented Staff Report 8.

Commissioner Elliott stated that the home’s exterior looks well-preserved, despite the age of the structure.

Commissioner Vrieze Daniels stated that she is typically conflicted about these situations and removing these lower-cost houses. She appreciates the answers she has received from staff regarding this situation, and she stated that she looks forward to the conversation next month.

M/Regan Gonzalez, S/Sandahl to adopt a resolution authorizing the purchase of 6412 Bloomington Avenue S for future development as a single-family home.

RESOLUTION NO. 1325  
 RESOLUTION AUTHORIZING PURCHASE OF REAL PROPERTY  
 LOCATED AT 6412 BLOOMINGTON AVENUE

Commissioner Sandahl reflected that this is a very small home and that it will be a good to see it redeveloped.

Motion carried 5-0.

<b>Item #6</b>	<b>CONSIDERATION OF THE ADOPTION OF A RESOLUTION AMENDING THE BYLAWS OF THE RICHFIELD HOUSING AND REDEVELOPMENT AUTHORITY TO REFLECT THE COMPOSITION OF MEMBERSHIP AS AUTHORIZED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF RICHFIELD. (S.R. NO. 9)</b>
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Executive Director John Stark presented Staff Report 9.

In addition to the changes outlined in the staff report, it is also recommended that the language around the voting of the HRA members in Section 6 Manner of Voting shall be amended from:

The voting on all questions coming before the Authority shall be by roll call and the yeas and nays shall be entered upon the minutes of such meeting, to now read:

The voting on all questions coming before the Authority shall be ~~by roll call~~ made verbally and the yeas and nays shall be entered upon the minutes of such meeting.

M/Vrieze Daniels, S/Sandahl to adopt a resolution amending the Bylaws of the Richfield Housing and Redevelopment Authority to reflect the composition of membership as authorized by the Mayor and City Council of the City of Richfield, with the amended Section 6 Manner of Voting to state: "The voting on all questions coming before the Authority shall be made verbally and the yeas and nays shall be entered upon the minutes of such meeting".

RESOLUTION NO. 1326  
RESOLUTION AMENDING THE BYLAWS OF THE HOUSING AND  
REDEVELOPMENT AUTHORITY OF THE CITY OF RICHFIELD,  
MINNESOTA

Motion carried 5-0.

<b>Item #7</b>	<b>CONSIDERATION OF THE APPROVAL OF THE USE OF UP TO \$180,000 FROM THE HOUSING AND REDEVELOPMENT AUTHORITY'S CAPITAL IMPROVEMENTS FUND TO ADVANCE PAYMENTS FOR THE HOUSING CHOICE VOUCHER PROGRAM FOR THE MONTH OF MARCH (IF NECESSARY). (S.R. NO. 10)</b>
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Executive Director John Stark presented Staff Report 10.

Commissioner Vrieze Daniels expressed her support for this action. Chair Supple expressed her agreement for the good of the tenants.

Commissioner Regan Gonzalez asked about how voucher-holders will receive communications. Housing Manager Urban stated that letters will go out to voucher-holders and landlords in the next few days to provide an update.

M/Sandahl, S/Regan Gonzalez to approve the use of up to \$180,000 from the Housing and Redevelopment Authority's Capital Improvements Fund to advance payments for the Housing Choice Voucher Program for the month of March, if necessary.

Motion carried 5-0.

<b>Item #8</b>	<b>HRA DISCUSSION ITEMS</b>
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None.

<b>Item #9</b>	<b>EXECUTIVE DIRECTOR REPORT</b>
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Executive Director Stark updated the HRA on the acquisition of the property at 6501 Penn Avenue and the next steps in the redevelopment process.

Executive Director Stark also shared the Local Government Innovation Award for the work towards preserving apartment communities in Richfield. This includes the Apartment Remodeling Program, the Tenant Protection Ordinance, and other policy and programmatic endeavors.

<b>Item #10</b>	<b>CLAIMS AND PAYROLLS</b>
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M/Sandahl, S/Vrieze Daniels that the following claims and payroll be approved:

<b>U.S. BANK</b>	<b>12/17/18</b>
Section 8 Checks: 130288 - 130366	\$161,403.42
HRA Checks: 33559 - 33569	\$78,528.44
<b>TOTAL</b>	<b>\$239,931.86</b>

<b>U.S. BANK</b>	<b>01/15/19</b>
Section 8 Checks: 130368 - 130453	\$169,419.84
HRA Checks: 33570 - 33590	\$62,565.19
<b>TOTAL</b>	<b>\$231,985.03</b>

Motion carried 5-0.

<b>ADJOURNMENT</b>
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The meeting was adjourned by unanimous consent at 7:33 p.m.

Date Approved: April 15, 2019

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Mary B. Supple  
HRA Chair

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Kate Aitchison  
Housing Specialist

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John Stark  
Executive Director



# HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES Richfield, Minnesota

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

### February 11, 2019

<b>CALL TO ORDER</b>
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The work session was called to order by Chair Supple at 6:31 p.m. in the Bartholomew Room.

*HRA Members Present:* Mary Supple, Chair; Erin Vrieze Daniels; Pat Elliott; and Maria Regan Gonzalez.

*HRA Members Absent:* Sue Sandahl.

*Council Members Present:* Maria Regan Gonzalez, Mayor; Edwina Garcia; Mary Supple; and Simon Trautmann.

*Planning Commission Members Present:* Sean Hayford O'leary, Chair; James Rudolph; Kathryn Quam; Allysen Hoberg; and Peter Lavin.

*Planning Commission Absent:* Bryan Pynn; and Susan Rosenberg.

*Staff Present:* Katie Rodriguez, City Manager; John Stark, Community Development Director; Julie Urban, Housing Manager; and Jared Voto, Executive Aide/Analyst.

<b>Item #1</b>	<b>DISCUSS PROPOSED HOUSING DEVELOPMENT FOR THE CITY GARAGE SOUTH SITE</b>
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Julie Urban, Housing Manager, introduced representatives from MWF Properties.

Chris Stokka, MWF Properties, presented the development team that includes the developer, builder and property manager. He provided a development summary of the proposed project, with a four story building with underground parking, a mix of 1, 2, and 3-bedroom units. Lastly, he discussed the proposed development schedule.

Council Member Supple asked for a definition of a "land write down".

Community Development Director Stark stated the developer would be asking for the HRA to sell the property for a lesser amount than it appraised for, possibly zero. This is in an established TIF District and the City could pay itself back the difference using tax increment funds.

Planning Commissioner Rudolph asked why there is a TIF District if the developer want not looking for TIF.

Community Development Director Stark stated it is a faster pay back than the City/HRA would receive from the city allotment of the tax revenues.

Council Member Garcia asked about staff's review of the proposed project and if the neighborhood has heard about this project.

Community Development Director Stark responded it has generally been reviewed by staff for its fit in planning and zoning but specifics, like setbacks, have not been reviewed. He also stated a notice has not been sent out for this work session; if policymakers were interested in the proposal then the next step would be to engage the neighbors.

Planning Commissioner Hoberg asked if there are any environmental concerns since this was a previous industrial site.

Mr. Stokka responded it would be something they would look into, but they have developed sites previously used as dry cleaners.

Community Development Director Stark responded that environmental reports have been done on the entire site and there shouldn't be many issues on this site, other than possible soil removal and clean fill brought in.

Commissioner Elliott commented that it is nice to see workforce housing brought back as he thinks it is needed in Richfield. He discussed the figures shown and the City Council and HRA's decision to know what the buy down would be. He also asked about the size of the units and discussed the need for affordable housing for families.

Mr. Stokka responded that about 25% are 1-bedrooms and the rest are 2- or 3-bedrooms.

Planning Commission Chair Hayford Oleary asked about the public storage site to the south and the possibility of redevelopment of that site.

Department Director Stark responded he did not know if there was possibility of redeveloping that site.

Commissioner Quam commented that she was impressed that they had never sold a property and headquartered in Richfield.

Commissioner Lavin asked about the financing and if there was a difference between standard affordable housing and workforce housing.

Mr. Stokka responded there are a lot of different terms for housing that are financed with tax credits and affordability levels can go from 20-80%. Their housing is more toward the 50-70%, which they classify as workforce housing.

Council Member Trautmann commented about his concerns on family housing in this particular location due to the railroad and I-494.

Community Development Director Stark responded that this use is what is indicated in the comprehensive plan, currently and the previous plan, so that is the direction they have taken. This

proposal is similar to what was proposed in 2011-2012. He stated it received policymaker support initially, but had neighborhood opposition. He commented staff is committed to bring the neighborhood and policymakers together at the same time, if there is interest in the proposal.

**ADJOURNMENT**

The work session was adjourned by unanimous consent at 7:01 p.m.

Date Approved: April 15, 2019

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Mary B. Supple  
HRA Chair

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Kate Aitchison  
Housing Specialist

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John Stark  
Executive Director



# HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

## Regular Meeting

## February 19, 2019

**CALL TO ORDER**

The meeting was called to order by Chair Mary Supple at 7:03 p.m. in the Council Chambers.

*HRA Members Present:* Mary Supple, Chair; Maria Regan Gonzalez; and Sue Sandahl;

*HRA Members Absent:* Pat Elliott and Erin Vrieze Daniels.

*Staff Present:* John Stark, Executive Director; Melissa Poehlman, Community Development Assistant Director; Julie Urban, Housing Manager; Kate Aitchison, Housing Specialist.

**APPROVAL OF THE MINUTES OF THE REGULAR HOUSING AND REDEVELOPMENT  
AUTHORITY MEETING OF JANUARY 15, 2019.**

This item has been postponed until March, 2019.

<b>Item #1</b>	<b>2018 HRA/EDA YEAR IN REVIEW</b>
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Executive Director Stark John Stark explained that due to technical difficulties, the Year in Review will take place with the overhead projector instead of via computer.

Community Development Assistant Director Melissa Poehlman, Housing Manager Julie Urban and Housing Specialist Kate Aitchison presented the 2018 HRA/EDA Year in Review.

Commissioner Regan Gonzalez commended the presentation and staff of HRA/EDA for all the work that has been done. She encouraged staff to market this presentation to help residents understand all the things offered by the city.

Commissioner Sandahl agreed with Commissioner Regan Gonzalez and asked how many staff are administering the program. Staff stated that there are eight positions covering these programs.

Chair Supple agreed with previous statements, and stated her excitement and support for the Apartment Remodeling loan and programs, the First Time Homebuyer program, and Home Energy Squad Enhanced program.

Commissioner Regan Gonzalez asked about the timing for funds available for the First Time Homebuyer. Staff responded that funds can be extended or repurposed for other CDBG-funded programming.

<b>Item #2</b>	<b>APPROVAL OF THE AGENDA</b>
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M/Regan Gonzalez, S/Sandahl to approve the agenda.

Motion carried 3-0.

<b>Item #3</b>	<b>CONSENT CALENDAR</b>
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Executive Director Stark presented the Consent Calendar:

- A. Consideration of the adoption of a resolution approving an Assumption Agreement that assigns certain rights and responsibilities related to the construction of 30 for-sale condominiums at the former Lyndale Garden Center site to Lakeside at Lyndale Gardens LLC. (S.R. No. 11)

RESOLUTION NO. 1327  
RESOLUTION APPROVING ASSUMPTION AGREEMENT WITH  
LYNDALE GARDENS, LLC AND LAKESIDE AT LYNDALE GARDENS  
LLC

- B. Consideration of the adoption of a resolution approving an Assignment and Assumption Agreement (Amended and Restated Contract for Private Redevelopment) to Woodlake Centre MOB, LLC, a Delaware limited liability company and authorize the Executive Director to execute an updated Estoppel Certificate. (S.R. No. 12)

RESOLUTION NO. 1328  
RESOLUTION APPROVING ASSIGNMENT AND ASSUMPTION  
AGREEMENT (AMENDED AND RESTATED CONTRACT FOR  
PRIVATE REDEVELOPMENT)

Commissioner Sandahl asked for clarification on which building this was for. Staff responded.

M/Sandahl, S/Regan Gonzalez, to approve the consent calendar.

Motion carried 3-0.

<b>Item #4</b>	<b>CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM CONSENT CALENDAR</b>
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None.

<b>Item #5</b>	<b>CONSIDERATION OF ALLOCATION OF THE HRA-OWNED PROPERTY AT 6412 BLOOMINGTON AVENUE S TO EITHER THE AFFORDABLE NEW HOME PROGRAM OR THE MARKET-RATE RICHFIELD REDISCOVERED PROGRAM. (S.R. NO. 13)</b>
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Chair Supple requested that commissioners discuss their thoughts prior to making any motions for this item.

Executive Director Stark offered some thoughts about this topic.

Housing Specialist Kate Aitchison presented Staff Report No. 13.

Chair Supple asked for clarification about the 20% ratio for single-family scattered site homes, versus multi-family developments. Executive Director Stark confirmed that the current discussion is only related to scattered-site single family homes developed under the New Home or Richfield Rediscovered programs. Commissioner Regan Gonzalez asked for clarification about the programs included under this policy. Staff responded. Housing Manager Urban provided some context for how these programs have been administered over the years, in varying housing markets.

Commissioner Sandahl asked if we have a way to know how many Richfield residents are waiting for opportunities under the Richfield Rediscovered program. Staff responded that only anecdotal evidence is available that suggests quite a few residents are interested.

Commissioner Sandahl asked for clarification on the statistic that 96% of Richfield homes were affordable. Executive Director Stark stated he had looked this up, and that yes, it was affordable at 80% Area Median Income. Housing Manager Urban clarified that these were numbers from 2013.

Commissioner Sandahl stated that she considers Richfield to be affordable compared to similar communities, but does agree that spending significant funds for one property is probably not responsible. She stated her support for more “move-up” housing as well. She stated her support for allocating this property for the Richfield Rediscovered program. She suggested saving the larger conversation for a time when all the commissioners are present.

Commissioner Regan Gonzalez agreed that the property at 6412 Bloomington should be allocated to the Richfield Rediscovered program, and stated that she believes that including substantially rehabilitated homes meets the goals and purposes of our New Home Program and should be included in the Inclusionary Housing Policy.

Chair Supple stated her agreement that including the substantially rehabilitated homes would be worth including in the Inclusionary Housing Policy. She also stated her support for the home at 6412 Bloomington for the Richfield Rediscovered program.

M/Sandahl, S/Regan Gonzalez to allocate the HRA-owned property at 6412 Bloomington Avenue South to the Richfield Rediscovered (market rate) Program.

Commissioner Regan Gonzalez added that other opportunities will come up during the 3-year period that will also help make sure the 20% ratio of affordability is met.

Motion carried 3-0.

<b>Item #6</b>	<b>HRA DISCUSSION ITEMS</b>
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Commissioner Sandahl commended staff for all the hard work that was displayed during the 2019 Year in Review report.

<b>Item #7</b>	<b>EXECUTIVE DIRECTOR REPORT</b>
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Executive Director Stark stated that there will be an upcoming tour of the Chamberlain Apartment complex, which is currently under construction.

He also stated that on February 26, 2019 the City Council will hear the 2019 allocation of Community Development Block Grant funds (CDBG), which overlap with the HRA.

<b>Item #8</b>	<b>CLAIMS AND PAYROLLS</b>
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M/Sandahl, S/Regan Gonzalez that the following claims and payroll be approved:

<b>U.S. BANK</b>	<b>02/18/19</b>
Section 8 Checks: 130454 - 130536	\$168,564.94
HRA Checks: 33591 - 33606	\$47,178.58
<b>TOTAL</b>	<b>\$215,743.52</b>

Motion carried 3-0.

<b>Item #9</b>	<b>ADJOURNMENT</b>
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The meeting was adjourned by unanimous consent at 8:03 p.m.

Date Approved: April 15, 2019

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Mary B. Supple  
HRA Chair

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Kate Aitchison  
Housing Specialist

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John Stark  
Executive Director



# HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

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

### March 26, 2019

<b>CALL TO ORDER</b>
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The work session was called to order by Chair Supple at 5:45 p.m. in the Bartholomew Room.

*HRA Members Present:* Mary Supple, Chair; Pat Elliott; and Maria Regan Gonzalez.

*HRA Members Absent:* Sue Sandahl and Erin Vrieze Daniels.

*Council Members Present:* Maria Regan Gonzalez, Mayor; Mary Supple; Edwina Garcia; Simon Trautmann and Ben Whalen.

*Planning Commission Members Present:* Sean Hayford Oleary; James Rudolph; Susan Rosenberg; Peter Lavin; Kathryn Quam; and Allysen Hoberg, Chair (arrived at 6:00 p.m.).

*Planning Commission Absent:* Bryan Pynn.

*Staff Present:* Katie Rodriguez, City Manager; John Stark, Community Development Director; Julie Urban, Housing Manager; Melissa Poehlman, Planning & Redevelopment Manager/Assistant CD Director; and Kari Sinning, Deputy City Clerk.

<b>Item #1</b>	<b>DISCUSS PROPOSED DEVELOPMENT FOR THE CITY GARAGE SOUTH (301 77<sup>TH</sup> STREET WEST) SITE</b>
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Mayor Regan Gonzalez introduced City Manager Rodriguez who reminded the Council and Commissioners that this meeting is not to decide what happens with the site but a discussion of the options for the site. She thanked Community Development Director Stark and Housing Manager Urban for their work on the presentation of which Council Member Garcia echoed.

Community Development Director Stark stated how the comprehensive plan and City policies can influence what the site could be and how the feedback (need) from the community affects the proposals.

Housing Manager Urban gave an overview of the site and the proposal from MWF Properties, a 55-unit workforce housing which could provide 1 bedroom units at 30% AMI for residents. The communities input for what will be built here is important.

Community Development Director Stark spoke about the financial aspects of the site and stated questions for the Council and Commissioners to discuss.

Planning Commissioner Lavin defined "workforce housing" as an affordable housing project. Community Development Director Stark stated that there is no single definition of workforce housing or affordable housing. Commissioner Hoberg gave examples of people that would be classified as workforce housing.

HRA Commissioner Elliott stated that what we call the housing isn't important but what we offer the community is; the safety of children in the area is a concern. He posed a question regarding a potential nuisance claims from LaMettry's Auto Body if a housing unit was built there. He also inquired if there was any commercial interest in the property (i.e. from Richfield Bloomington Honda). Community Development Director Stark responded that other cities have used different tools to address odor nuisance problems but he does not believe that this will be an issue and Richfield Bloomington Honda has not expressed any interest in the property.

Council Member Supple read aloud a statement of support from Commissioner Vrieze Daniels who was unable to attend.

Planning Commission Chair Hayford Oleary stated that the site is a good location for high-density housing and provides additional housing for Richfield residents.

Council Member Garcia agreed with Planning Commission Chair Hayford Oleary and stated that Richfield does not have area for expansion and we need affordable housing for the Residents. The proposed amenities and the building size are very much needed to invest into our people.

Council Member Whalen thanked the staff and the developers for the opportunity to have more 30% AMI units which is needed in Richfield. He also commented on the availability of units for people with disabilities and larger families.

Council Member Supple stated that the accessibility of the proposed plan and the support staff for those with disabilities is a significant influence. However, there is no green space available on the lot for children to play or families to spend time with one another. Overall the pros outweigh the cons; the City of Richfield needs housing and it's great to have a local developer.

Commissioner Quam is in favor of the company and agrees that we need housing but we need to look at it as a whole.

Council Member Trautmann likes the developers and the financial aspects but dislikes the location. There are structural deficits of the site.

Mayor Regan Gonzalez is in support of the idea but it's not an ideal site. She posed a question as to what could be done to make it more neighborhood like. Council Member Whalen stated that there is already housing along 77th Street that already seems too ostracized from the rest of the City. There was discussion about the wall along 77th Street.

Commissioner Rudolph posed a question of the impact on the schools which Community Development Director Stark stated that there will be a meeting with the School Board in May.

Commissioner Rosenberg stated that she is proud of the work to provide affordable homes for people and shared thoughts on how to include those already in the residential areas of 77th Street.

**ADJOURNMENT**

The work session was adjourned by unanimous consent at 7:01 p.m.

Date Approved: April 15, 2019

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Mary B. Supple  
HRA Chair

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Kate Aitchison  
Housing Specialist

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John Stark  
Executive Director



**STAFF REPORT NO. 14**  
**HOUSING AND REDEVELOPMENT AUTHORITY**  
**MEETING**  
**4/15/2019**

REPORT PREPARED BY: Lynnette Chambers, Multifamily Housing Coordinator

OTHER DEPARTMENT REVIEW: N/A

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director  
4/9/2019

**ITEM FOR COUNCIL CONSIDERATION:**

**Consider the approval of a proposed adjustment of payment standard for the Section 8 Rent Assistance voucher program.**

**EXECUTIVE SUMMARY:**

The Section 8 program is administered in accordance with the Housing and Redevelopment Authority's (HRA) Administrative Plan (Plan). According to the Plan and the Department of Housing and Urban Redevelopment (HUD) regulation, the Section 8 Rent Assistance voucher program provides financial assistance based on unit bedroom size. Clients pay a minimum of 30 percent of their income towards rent. On an annual basis HUD establishes a Fair Market Rent (FMR). The allowable FMR is expressed as a specific percentile point within the rent distribution of standard-quality rental housing units.

Individual HRA's are allowed to select a payment standard within 90% to 110% of HUD's FMR. The selection of the payment standard should assure that a sufficient supply of rental housing is available to program participants. The Richfield HRA conducts a rental survey on an annual basis to help in determining an appropriate payment standard. Currently, the survey results indicate that the Richfield HRA should adopt a payment standard that is 92% or more of the FMR established by HUD.

The new payment standards are effective for June 1, 2019 and annual re-certifications effective July 1, 2019. The attached table clarifies the changes being proposed. The last adjustment made by the HRA was in January 1, 2018.

**RECOMMENDED ACTION:**

**By motion: Approve the attached adjustment of payment standard for the Section 8 Rent Assistance voucher program.**

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

- See Executive Summary

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

- The HRA must approve increases in the payment standard for the Section 8 Rent Assistance voucher program.
- Section 8 participants will be able to choose from a larger selection of affordable housing units and may receive some immediate rent relief on a case by case basis.
- HUD provides sufficient federal assistance to cover these adjustments in the payment standards

and has approved the increase.

- Without an increase in the payment standard many Section 8 participants will be unable to find housing and keep up with changing rents.
- Potential changes in Federal law impact the financial resources available to the program if the HRA does not remain current with the FMR.

**C. CRITICAL TIMING ISSUES:**

- N/A

**D. FINANCIAL IMPACT:**

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

**E. LEGAL CONSIDERATION:**

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

**ALTERNATIVE RECOMMENDATION(S):**

- Do not change the payment standard at this time; however, HUD guidelines suggest an adjustment is needed.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

N/A

**ATTACHMENTS:**

Description	Type
▢ Payment Standard Increase	Backup Material

Attachment A

Current Payment Standard – Effective January 1, 2018

<b>0 BDR</b>	<b>1 BDR</b>	<b>2 BDR</b>	<b>3 BDR</b>	<b>4 BDR</b>	<b>5 BDR</b>
<b>710</b>	<b>890</b>	<b>1110</b>	<b>1500</b>	<b>1755</b>	<b>1890</b>

New Payment Standard – Effective June 1, 2019 (Move-Ins) July 1, 2019 (Annual Re-certification)

<b>0 BDR</b>	<b>1 BDR</b>	<b>2 BDR</b>	<b>3 BDR</b>	<b>4 BDR</b>	<b>5 BDR</b>
<b>740</b>	<b>910</b>	<b>1130</b>	<b>1530</b>	<b>1800</b>	<b>1940</b>



**STAFF REPORT NO. 15**  
**HOUSING AND REDEVELOPMENT AUTHORITY**  
**MEETING**  
**4/15/2019**

REPORT PREPARED BY: Kate Aitchison/Celeste McDermott, Housing Specialists  
OTHER DEPARTMENT REVIEW: N/A

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director  
4/9/2019

**ITEM FOR COUNCIL CONSIDERATION:**

**Consider the approval of a Right of Entry Agreement with Twin Cities Habitat for Humanity for 6310 Irving Avenue.**

**EXECUTIVE SUMMARY:**

In 2012, the Housing and Redevelopment Authority (HRA) purchased the substandard property at 6310 Irving Avenue using Community Development Block Grant (CDBG) funds for the future construction of an affordable new home.

Twin Cities Habitat for Humanity (TCHFH) approached the City looking for an opportunity to develop a single-family home. Since that time, the TCHFH has been working on their plans to redevelop the property and is seeking authorization to enter property owned by the HRA in order to conduct land surveys, soil borings, and any other environmental testing necessary.

The proposed Right of Entry Agreement (Agreement) authorizes the TCHFH to enter the HRA property to conduct these activities.

**RECOMMENDED ACTION:**

**By motion: Authorize execution of a Right of Entry Agreement with Twin Cities Habitat for Humanity for 6310 Irving Avenue.**

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

- In 2012, the HRA purchased the substandard property at 6310 Irving Avenue using CDBG funds for development of an affordable single-family home through the New Home Program.
- The New Home Program allows homes to be sold to households earning up to 80 percent of Average Median Income (\$68,000 for a family of four).
- Staff has explored a variety of development proposals for this site and are currently working with TCHFH on a proposal for an affordable single-family home.
- In the past ten years, eleven new homes were constructed under the New Home program for affordable purchase.
- Under the New Home Program, the HRA has partnered with nonprofit developers to construct over 50 affordable homes since 1981.

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

- The New Home Program implements the goal of the Comprehensive Plan to ensure sufficient

diversity in the housing stock to provide for a range of household sizes, income levels and needs. The Program carries out the policies that support this goal including:

- Promote the development of a balanced housing stock that is available to a range of income levels.
- Promote the development, management and maintenance of affordable housing in the City through assistance programs, alternative funding sources, and the creation of partnerships whose mission is to promote low to moderate income housing.

**C. CRITICAL TIMING ISSUES:**

- The Agreement expires December 31, 2019.
- The Agreement requires the TCHFH to give the HRA three days advanced notice of any work.
- Access to the property is necessary for moving forward with a Development Agreement, which is anticipated to come before the HRA on May 20, 2019.

**D. FINANCIAL IMPACT:**

- There is no financial impact to the HRA. All costs for the work to be done, any liability expense, and restoration of any damage done to the property is at the TCHFH's expense.

**E. LEGAL CONSIDERATION:**

- The HRA Attorney prepared the Right of Entry Agreement.

**ALTERNATIVE RECOMMENDATION(S):**

- The HRA may choose to not authorize execution of a Right of Entry Agreement at this time.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

N/A

**ATTACHMENTS:**

Description	Type
□ Right of Entry Agreement	Contract/Agreement

## RIGHT OF ENTRY AGREEMENT

THIS RIGHT OF ENTRY AGREEMENT (the “Agreement”) is made and entered into on April 15, 2019, by and between the HOUSING AND REDEVELOPEMENT AUTHORITY IN AND FOR THE CITY OF RICHFIELD, a public body corporate and politic under the laws of the State of Minnesota (the “Authority”), and Twin Cities Habitat For Humanity, Inc., a non-profit corporation under the laws of Minnesota or any assigns approved by the Authority (the “Developer”).

WHEREAS, the Authority is the owner in fee simple of the real estate located at the address of 6310 Irving Avenue South, in the City of Richfield, Minnesota, which is legally described in EXHIBIT A attached hereto and incorporated herein (the “Authority Property”); and

WHEREAS, the Developer is investigating the possibility of purchasing the Authority Property for the purpose of redevelopment; and

WHEREAS, the Developer wishes to have its environmental consultant conduct soil borings, dig and sample monitoring wells and conduct other environmental studies on the Property in order to identify whether there may be hazardous substances, pollutants or contaminants present on the Authority Property. The Developer has requested that Authority grant the Developer, its employees, agents and contractors, the right to enter the Property to conduct said environmental studies and investigate the location and extent of any contamination; and

WHEREAS, the Developer also desires to secure the consent of Authority to enter the Authority Property for the purpose of conducting appraisals, land surveys, and other tests or inspections of the Authority Property. The Developer has requested that Authority grant its consent to the entry of these additional consultants onto the Authority Property to conduct their studies; and

WHEREAS, it is understood that in executing this agreement, Authority will not be granting (a) any permanent interest in the Authority Property to the Developer, or (b) exclusive use or possession of the Authority Property to the Developer.; and

NOW THEREFORE, the parties agree as follows:

1. Access. The Authority grants to the Developer, its agents, employees, contractors and invitees, and such other consultants as the Developer may elect (collectively, “Consultants”), upon the terms and conditions stated below, on a non-exclusive basis, the permission and right to access and use the Authority Property for the purpose of making surveys, inspections, investigations, soil borings, drilling and sampling monitoring wells, and testing relative to the Developer’s possible purchase of the Property.

2. Consideration. In consideration for such right of entry, the Developer agrees to:

(a) Notify Authority of the date and time that work by the Developer or its Consultants on the Authority Property will commence under this Agreement which notice shall be at least five (5) business days prior to doing any work on the Authority Property in order to permit Authority’s employees or consultants retained by Authority to be present during the time any work is being done by the Developer or its Consultants;

(b) Secure all appropriate government approvals and permits for any work that will occur within public streets adjacent to the Authority Property;

(c) Provide a copy of all test results and reports prepared by the Developer's employees or Consultants (except appraisal reports) evaluating the conditions present on the Authority Property to Authority as soon as reasonably possible following final completion thereof.

(d) Dispose of all solid waste generated during the course of the Developer's sampling activities and other work on the Authority Property in accordance with applicable federal, state and local laws, rules and regulations.

(e) Do the work in the shortest period of time reasonably necessary to complete such activities authorized under this Agreement as the Developer, in its sole discretion, shall elect to undertake;

(f) Use the Authority Property only for the purposes described herein and not park or store any equipment on the Authority Property, except during the limited periods of time when the work on the Authority Property which is contemplated by this Agreement is actually in progress;

(g) Do no unnecessary damage to the Authority Property and restore the Authority Property to substantially the same condition as the condition in which it was found by the Developer at the time of the Developer's or its Consultants' entry upon the Property pursuant to this Agreement. As soon after completion of its work on the Authority Property as allowed by applicable authorities, the Developer shall properly abandon and remove any well installed by the Developer or its Consultants, in accordance with Minnesota Department of Health regulations;

(h) If the Developer or its Consultants remove a sample or portion of the Authority Property for investigation, monitoring or testing or obtains any data or issues any report, it must give Authority an equal amount of the sample or portion and a copy of any data or report, and must permit the Authority to perform an independent investigation, monitoring, or testing of the sample or portion.

(i) Protect all monitoring wells with lockable caps and at least three protected posts.

3. Term. The term of this Agreement (the "Term of this Agreement") shall commence on the day that this Agreement is executed and will expire on December 31, 2019.

4. Safety and Maintenance. The Developer agrees that if there is damage or changes to the Authority Property as a result of the activity, the Developer will restore the Authority Property to substantially the same condition as it previously was and remove all rubbish, waste, and debris in connection therewith. The Developer also agrees not to use the Authority Property for the production, storage, deposit or disposal of toxic, dangerous or hazardous substances, pollutants, wastes or contaminations, including but not limited to, nuclear fuel or wastes that are considered hazardous by law and regulations. The Developer shall indemnify the Authority, its officials, employees, agents and others acting on behalf of the Authority, hold it harmless against any and all loss, damage, liability, claim, cost or expenses (specifically including reasonable attorneys' fees and other costs and expenses of investigation and defense of any sort), resulting from injury or death to any person or from loss of or damage to any property, however caused, which occurs on the Authority Property with respect to the production, storage, deposit or disposal of toxic, dangerous or hazardous substance pollutants, wastes or contaminations by the Developer.

5. Hold Harmless and Indemnity. The Developer agrees to indemnify, defend, and hold harmless the Authority and the City of Richfield, Minnesota (the “City”), their agents, officials and employees from any and all claims, losses, damages, liabilities, causes of action, judgments, costs, or expenses because of personal injury, death, or property damage caused by Developer or its officers, employees, agents, contractors, or assigns’ use of the Authority Property. The Authority and the City agree to indemnify, defend, and hold harmless the Developer, its agents, officers, and employees from and against any and all claims, losses, damages, liabilities, causes of action, judgments, costs, or expenses because of personal injury, death, or property damage caused by the Authority or the City or their officials, employees, agents, contractors, or assigns’ entry into the Authority Property during the Term of this Agreement.

6. Insurance. The Developer agrees to provide and maintain a liability insurance policy with a general liability limit of at least \$1,500,000 each occurrence throughout the Term of this Agreement and to list the Authority as an “additional insured.” Said policy is limited to any person or persons working for or under the Developer as employees, contractors, and agents. On execution of this Agreement, the Developer shall provide the Authority with evidence that is satisfactory to the Authority that the insurance coverage required hereunder will be in full force and effect during the Term of this Agreement. In the event that any insurance renews or is terminated during the Term of this Agreement, the Developer shall promptly provide the Authority with evidence that such coverage will be renewed or replaced upon termination with insurance that complies with these provisions. At the request of the Authority, the Developer shall, in addition to providing such evidence of insurance, promptly furnish the Authority with a complete (and if so requested, insurer-certified) copy of the insurance policy intended to provide coverage required by this Agreement.

7. Assignment. The Developer shall not assign or otherwise transfer this Agreement, any right or interest in this Agreement or any right or interest in the Authority Property without the express written consent of the Authority, which consent shall not be unreasonably withheld.

8. Costs. The Developer shall be responsible to pay any fees, wages, and other charges and expenses in any manner associated with the Developer’s activities under this Agreement.

9. Other Authority or Rights. The Developer shall bear the sole obligation of obtaining such other authority or rights as it may need in addition to the rights provided in this Agreement for the use of the Authority Property.

10. Liens and Encumbrances. The Developer shall keep the Authority Property free of all liens and encumbrances arising out of its interest in or activities on the Authority Property.

11. Disclaimer of Warranty. The Developer has conducted its own investigation and inspection of the Authority Property and is familiar with the physical condition of the Authority Property and surrounding terrain, and is fully informed as to the existing conditions and limitations. The Authority makes no representation or warranty as to the suitability of the Authority Property for use by the Developer and no such representation, warranty, or any other representations are made by the Authority or shall be implied by operation of law or otherwise. The Developer accepts the Authority Property in an as-is, where-is condition with all faults, defects, and deficiencies.

12. Governing Law. The parties agree that the interpretation and construction of this Agreement shall be governed by the laws of the State of Minnesota, without regard to such state’s conflict of law provisions.

13. Notices and Demands. All notices, demands or other communications under this Agreement shall be effective only if made in writing and shall be sufficiently given and deemed given when delivered personally or mailed by certified mail (return receipt requested) or registered mail, postage prepaid, properly addressed as follows:

To the Authority:       Housing and Redevelopment Authority  
                                  in and for the City of Richfield, Minnesota  
                                  6700 Portland Ave. South  
                                  Richfield, MN 55423  
                                  Attn: Community Development Director

To the Developer:       Twin Cities Habitat For Humanity  
                                  3001 4th Street SE  
                                  Minneapolis, Minnesota 55414  
                                  Attn: Chad Dipman

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

14. Execution in Counterpart. This Agreement is executed in any number of counterparts, each of which shall constitute one and the same instrument.

15. Amendment. This Agreement may be amended only by a written amendment signed by both parties.

16. Relationship of Parties. Nothing in this Agreement shall be interpreted or construed as a partnership or joint venture between the Authority and the Developer concerning the Developer's use of the Authority Property. This Agreement shall not be interpreted to be any type of lease or easement affecting the Authority Property and does not convey an interest in the Authority Property to the Developer.

17. Severance. Should any portion of this Agreement be declared invalid and unenforceable, then such portion shall be deemed to be severed from this Agreement and shall not affect the remainder thereof.

18. Default. If any default is made by the Developer in any of the agreements contained in this Agreement which is not cured within 30 days of written notice from the Authority, it shall be lawful for the Authority to declare the term ended and to enter the Authority Property either with or without legal process, and to remove the Developer or any other person occupying the Authority Property, using such force as may be necessary, without being liable for prosecution, or for damages, and to repossess the Authority Property free and clear of any rights of the Developer.

19. Developer. With respect to the right to access and use the Authority Property granted to the Developer in this Agreement, the term "Developer" shall include Developer's agents, employees, contractors, affiliates, and other representatives.

IN WITNESS WHEREOF, the parties have executed this Right of Entry Agreement as of the date first above written.

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

By \_\_\_\_\_  
Its Chair

By \_\_\_\_\_  
Its Executive Director

Execution page of the Developer to the Right of Entry Agreement dated as of the date first written above.

**TWIN CITIES HABITAT FOR HUMANITY, INC.**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT A**

**LEGAL DESCRIPTION OF THE AUTHORITY PROPERTY**

Lot 4, Block 6, Rays Lynnhurst Addition, Hennepin County, Minnesota



**STAFF REPORT NO. 16**  
**HOUSING AND REDEVELOPMENT AUTHORITY**  
**MEETING**  
**4/15/2019**

REPORT PREPARED BY: Kate Aitchison, Housing Specialist  
OTHER DEPARTMENT REVIEW: N/A

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director  
4/8/2019

**ITEM FOR COUNCIL CONSIDERATION:**

**Continue a public hearing to consider the sale of 6310 Irving Avenue to Twin Cities Habitat for Humanity for the construction of a single-family home.**

**EXECUTIVE SUMMARY:**

Twin Cities Habitat for Humanity is working with staff to develop a proposal for a newly constructed home to be located at 6310 Irving Avenue. This is a Housing and Redevelopment Authority (HRA) owned property that has been designated for affordable new construction under the New Home Program. Due to detailed requirements of federal funding sources, staff is requesting more time to finalize the Contract for Private Development.

**RECOMMENDED ACTION:**

**By motion: Continue the public hearing for the sale of 6310 Irving Avenue to Twin Cities Habitat for Humanity to May 20, 2019.**

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

- None

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

- None

**C. CRITICAL TIMING ISSUES:**

- None

**D. FINANCIAL IMPACT:**

- None

**E. LEGAL CONSIDERATION:**

- Notice of this public hearing was published in the Sun Current Newspaper. A mailed notice will be sent to nearby properties prior to the May meeting.

**ALTERNATIVE RECOMMENDATION(S):**

- None

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

None



**STAFF REPORT NO. 17**  
**HOUSING AND REDEVELOPMENT AUTHORITY**  
**MEETING**  
**4/15/2019**

REPORT PREPARED BY: Julie Urban, Housing Manager  
OTHER DEPARTMENT REVIEW: N/A

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director  
4/9/2019

**ITEM FOR COUNCIL CONSIDERATION:**

**Consider revisions to the Inclusionary Housing Policy with regards to Housing and Redevelopment scattered-site programs.**

**EXECUTIVE SUMMARY:**

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

The revised policy has been attached for HRA consideration (with the only changes being to subdivision 4). If approved, the revision would be brought before the City Council and Economic Development Authority for their consideration.

**RECOMMENDED ACTION:**

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

**BASIS OF RECOMMENDATION:**

**A. HISTORICAL CONTEXT**

- In February, the HRA discussed the application of the Inclusionary Housing Program to its scattered-site housing programs. Historically, the HRA's New Home Program has involved both new construction and rehabilitation of existing housing. The focus on one or the other has been flexible, depending on market conditions.
- The HRA determined that it was appropriate to clarify the Inclusionary Housing policy to include those housing units that are rehabilitated and for which long-term affordability is ensured.

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

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

**C. CRITICAL TIMING ISSUES:**

- The policy update would be considered by the City Council on April 23, 2019 and by the

Economic Development Authority at their next meeting.

**D. FINANCIAL IMPACT:**

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

**E. LEGAL CONSIDERATION:**

- NA

**ALTERNATIVE RECOMMENDATION(S):**

- Decide not to revise the Inclusionary Housing Policy.

**PRINCIPAL PARTIES EXPECTED AT MEETING:**

N/A

**ATTACHMENTS:**

Description	Type
☐ Inclusionary Housing Policy update	Backup Material

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

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

Requirements

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

Incentives

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

Exceptions

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

Adopted:

This 23rd day of October, 2018 by the Richfield City Council.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Manager

This 15th day of October, 2018 by the Richfield Housing and Redevelopment Authority.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Secretary

This 15th day of October, 2018 by the Richfield Economic Development Authority.

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary