



**REGULAR HOUSING AND REDEVELOPMENT AUTHORITY MEETING
RICHFIELD MUNICIPAL CENTER, COUNCIL CHAMBERS
NOVEMBER 18, 2019
7:00 PM**

Call to Order

Approval of the minutes of the Regular Housing and Redevelopment Authority Meeting of October 21, 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 transfer in the amount of \$39,309 of non-tax increment funds from the City Bella Tax Increment Financing District to the Richfield Housing and Redevelopment's Development Fund.
Staff Report No. 38
3. Consideration of items, if any, removed from Consent Calendar

RESOLUTIONS

4. Consideration of a resolution decertifying the Gramercy Tax Increment Financing District.
Staff Report No. 39
5. Consideration of a resolution decertifying the Interchange Tax Increment Financing District.
Staff Report No. 40

HRA DISCUSSION ITEMS

6. HRA Discussion Items

EXECUTIVE DIRECTOR REPORT

7. Executive Director's Report

CLAIMS

8. Claims
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

October 21, 2019

CALL TO ORDER

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

HRA Members Present: Mary Supple, Chair; Pat Elliott; Sue Sandahl, and Erin Vrieze Daniels

HRA Members Absent: Maria Regan Gonzalez

Staff Present: John Stark, Executive Director; Julie Urban, Housing Manager

APPROVAL OF THE MINUTES

M/Elliott, S/Sandahl to approve the minutes for the Concurrent City Council, Housing and Redevelopment Authority and Planning Commission Work Session of September 16, 2019, the minutes for the Regular Housing and Redevelopment Authority meeting of September 16, 2019, and the minutes for the Concurrent City Council, Housing and Redevelopment Authority and Planning Commission Work Session of September 24, 2019.

Motion carried 4-0.

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

- A. Consideration of an adjustment to the payment standard for the Section 8 Housing Choice Voucher Program.

In response to a question from Commissioner Elliot, Housing Manager Urban explained that Fair Market Rents are determined once a year by the Department of Housing and Urban Development, but there was a delay in publication this year, and we needed to be in compliance with HUD regulations, especially for efficiency apartments, so this was the second time in 2019 the HRA was being asked to adjust the payment standards.

M/Vrieze Daniels, S/Sandahl to approve the Consent Calendar.

Motion carried 4-0.

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

Item #4	CONSIDERATION OF AN AMENDMENT TO THE CONTRACT FOR PRIVATE DEVELOPMENT FOR 6812 EMERSON LANE (SR NO. 35)
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Housing Manager Urban presented the staff report explaining that survey work has shown a reduced parcel resulting in the five-home proposal originally approved not meeting several of the City's subdivision requirements. Staff and the builder are presenting a four-home concept that would meet the subdivision requirements but could require an additional subsidy of up to \$60,000. She explained that appraisal information is expected by the end of October that will help to determine the final amount. She reminded Commissioners that the Community Development wears two "hats," one as representative of the HRA seeking to meet its housing goals and make the best financial deal possible and one as planners who need to make land use decisions and administer the City's subdivision ordinance.

Commissioner Elliot stated that he wasn't comfortable making a decision until the appraisal information was available. He also requested that the entire contract be included when amendments are under consideration. He stated concern that \$390,000 was too great a subsidy for this development.

Commissioners Sandahl and Chair Supple expressed concern with the timing of a decision. Housing Manager Urban stated that the builder would like to begin constructing utilities this Fall and is attempting to finish them before the mill and overlay project begins in the Spring. She stated that Public Works Director Asher has agreed that the road schedule could be adjusted but that wasn't ideal.

Dustin Endres of Endres Custom Homes showed both the four and five-house layouts, describing the changes in the lot widths and sizes and stated that he was willing to build either four or five houses.

In response to a question from Jeri Scott, 6608 Emerson Avenue, Mr. Endres explained that his potential buyers have visited the site.

John Powell, 6800 Emerson Lane, urged the Commissioners to follow the original project deadline, and read a list of written questions and statements presented to the Commissioners. His comments included asking who would be paying for the survey work, how four houses deviated from the five or two houses determined to be most feasible at the April work session, what the subsidy would be and whether or not it was an appropriate use of tax payer money, he suggested that lot sizes should be consistent with other lots in the neighborhood, and that the lots be staked ahead of time. He reported what taxes would be collected from four versus five houses and questioned what the City's Return on Investment would be for the project. He asked that the neighbors be informed of all future consideration of the project.

Executive Director Stark clarified that part of the reason for bringing the four house concept to the HRA was based on the assumption that the neighbors would prefer fewer units.

Sarah Witty, 6633 Emerson Avenue, asked whether the design of the homes was changing, expressed a desire for more information and stated that they should decide whether four or five homes would be built before anything is done.

David Paxson, 6732 Emerson Avenue, questioned a statement made at the previous public hearing about there being a 10-year return on the HRA's investment. Executive Director Stark explained that that figure was based on taxes collected by all taxing jurisdictions and that it is just an estimate. He reminded the Commissioners that the majority of the investment was 15 years ago and that the goal is to try and make the best of the situation that investment has created.

Mr. Paxson then questioned what the return on investment would be if the property were part of the Nature Center. Executive Director Stark explained that the return would be other benefits to the community and not financial.

Jody Powell, 6800 Emerson Lane, pointed out that the builder has no purchase agreements and therefore couldn't move forward. She questioned what had been done since July and why there was only one buyer.

April Pream, 6639 Emerson Avenue, described her own remodeling experience and that she was told that variances weren't possible, so she asked why the City would approve variances for herself.

Mr. Endres explained that the exceptions required for the five-lot plan were to lot sizes and lot widths, not setbacks and stated that many of the side setbacks exceed the required five feet.

Commissioner Sandahl stated that she also assumed the neighbors would prefer four houses and was comfortable with the additional subsidy given the housing that would be added to the community, meeting a goal of the HRA.

Commissioner Vrieze Daniels stated that she doesn't want to amend the Contract and wants to see no more subsidy provided.

Commissioner Elliot stated that he did not want to vote until the appraisal information comes back.

Chair Supple confirmed that three votes were required to pass a motion. Commissioner Sandahl then proposed an alternative motion:

M/Sandahl, S/Supple to amend the Contract with Endres Custom Homes extending the deadline for three months until March 31.

Chair Supple stated that the three-month extension was appropriate given the delay caused by the survey, which was no fault of the Builder. Executive Director Stark asked if the appraisal came back with a lower subsidy, would that make a difference for the Commissioners. Chair Supple stated that the amount of the subsidy did make a difference for her.

Chair Supple called for a roll call vote:

Elliot: yes

Vrieze Daniels: no

Sandahl: yes

Supple: yes

Motion carried: 3-1

Item #5	CONSIDERATION OF AN AMENDMENT TO THE CONTRACT FOR PRIVATE DEVELOPMENT WITH TWIN CITIES HABITAT FOR HUMANITY FOR 6310 IRVING AVENUE SOUTH TO ALLOW REIMBURSEMENT FOR ABATEMENT OF CONTAMINATED SOIL (S.R. NO 36)
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Housing Manager Urban presented the staff report explaining that Twin Cities Habitat for Humanity discovered asbestos siding in the soil at 6310 Irving Avenue and was requesting HRA assistance to help pay for the extraordinary costs of removing the contaminant.

Executive Director Stark confirmed that the expense is an eligible expense for the Housing and Redevelopment Fund.

M/ Sandahl, S/ Vrieze Daniels to amend the contract for private development with Twin Cities Habitat for Humanity for 6310 Irving to allow reimbursement for abatement of contaminated soil.

Motion carried 4-0.

Item #6	CONSIDERATION OF THE APPROVAL OF A RESOLUTION ACCEPTING CONTRIBUTIONS FOR THE 2019 TOUR OF REMODELED HOMES (SR NO. 37)
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Executive Director Stark presented the staff report explaining that five local businesses each donated \$200 as sponsors of the 2019 Tour of Remodeled Homes and thought it appropriate to identify the entities by name, which were: Builders by Design, The Center for Energy and the Environment, E.J. Hanson AIA, Sicora Design/Build and Steve Schneeberger of Keller Williams Realty.

M/ Sandahl, S/ Vrieze Daniels to approve a resolution accepting contributions for the 2019 Tour of Remodeled Homes.

Motion carried 4-0.

Item #7	HRA DISCUSSION ITEMS
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None.

Item #8	EXECUTIVE DIRECTOR REPORT
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None.

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Item #9	CLAIMS AND PAYROLLS
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M/Elliott, S/ Vrieze Daniels that the following claims and payroll be approved:

U.S. BANK	10/21/2019
Section 8 Checks: 131117-131194	\$166,340.71
HRA Checks: 33721-33745	\$23,240.06
TOTAL	\$189,580.77

Motion carried 4-0.

Item #8	ADJOURNMENT
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The meeting was adjourned by unanimous consent at 8:18 p.m.

Date Approved: November 18, 2019

Mary B. Supple
HRA Chair

Julie Urban
Housing Manager

John Stark
Executive Director



STAFF REPORT NO. 38
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
11/18/2019

REPORT PREPARED BY: Myrt Link, Community Development Accountant
OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director
11/12/2019

ITEM FOR COUNCIL CONSIDERATION:

Consider the transfer in the amount of \$39,309 of non-tax increment funds from the City Bella Tax Increment Financing District to the Richfield Housing and Redevelopment's Development Fund.

EXECUTIVE SUMMARY:

As part of staff's annual review of the Tax Increment Districts after the annual reports are submitted to the Office of the State Auditor, it was noted that there were non-tax increment funds in the City Bella Tax Increment Fund.

These funds, in the amount of \$39,309, were transferred in from the Development account in years before Interfund Loans were required to be established to pay for costs prior to increment being generated. They now should be transferred back to the Development Account.

RECOMMENDED ACTION:

By Motion: Approve a transfer in the amount of \$39,309 of non-tax increment funds from the City Bella Tax Increment Financing District to the Richfield Housing and Redevelopment's Development Fund.

BASIS OF RECOMMENDATION:

A. **HISTORICAL CONTEXT**

See Executive Summary.

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

All non-budgeted transfers need to be approved by the Housing and Redevelopment Authority (HRA) Board.

C. **CRITICAL TIMING ISSUES:**

None

D. **FINANCIAL IMPACT:**

The \$39,309 are "non-restricted funds" and should be moved to the HRA's Development Fund where they may be used more effectively for non-TIF related projects.

E. **LEGAL CONSIDERATION:**

None

ALTERNATIVE RECOMMENDATION(S):

None

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A



STAFF REPORT NO. 39
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
11/18/2019

REPORT PREPARED BY: Myrt Link, Community Development Accountant
OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director
11/12/2019

ITEM FOR COUNCIL CONSIDERATION:

Consideration of a resolution decertifying the Gramercy Tax Increment Financing District.

EXECUTIVE SUMMARY:

The Gramercy Tax Increment Financing (TIF) District is a Redevelopment District that includes the Gramercy Park Senior Housing Cooperative and was established on June 22, 1998. The first increment was received in 2000. The required decertification date is December 31, 2025.

The tax increment revenue in the form of a Pay-As-You-Go-Note was paid to the Developer to assist with property acquisition expenses. This obligation was paid in full as of August 1, 2019. Once an obligation is paid in full, a district is required to be decertified.

The decertification of the Gramercy TIF District will result in an estimated increase of net Tax Capacity of 313,258 and an estimated increase in City Tax Revenue of \$168,041 for 2020.

RECOMMENDED ACTION:

By Motion: Adopt a resolution approving the decertification of the Gramercy Tax Increment Financing District in the City of Richfield.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

The Gramercy Tax Increment Financing (TIF) District was established on June 22, 1998.

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

- The Housing and Redevelopment Authority (HRA) has completed all of its obligations including full payment of the Pay-As-You-Go-Note and is required to be decertified.
- The HRA is the body responsible for the decertification of the Tax Increment Districts.

C. CRITICAL TIMING ISSUES:

- The decertification request needs to be received by Hennepin County prior to December 15, 2019 so they will recognize the increase in tax capacity for 2020.

D. FINANCIAL IMPACT:

- The decertification of the Gramercy TIF District will result in an estimated increase of net Tax Capacity of 313,258 and an estimated increase in City Tax Revenue of \$168,041 for 2020.

E. LEGAL CONSIDERATION:

- The HRA has completed all of its obligations including full payment of the Pay-As-You-Go-Note and is required to be decertified.

ALTERNATIVE RECOMMENDATION(S):

None

PRINCIPAL PARTIES EXPECTED AT MEETING:

Rebecca Kurtz, Ehlers Inc.

ATTACHMENTS:

Description	Type
☐ Decertification Resolution - Gramercy	Resolution Letter

**RICHFIELD HOUSING AND REDEVELOPMENT AUTHORITY
CITY OF RICHFIELD
HENNEPIN COUNTY
STATE OF MINNESOTA**

**RESOLUTION APPROVING THE DECERTIFICATION OF THE GRAMERCY
TAX INCREMENT FINANCING DISTRICT IN THE CITY OF RICHFIELD**

WHEREAS, on June 22, 1998, the City of Richfield Minnesota (the "City") created its Gramercy Tax Increment Financing District ("Gramercy TIF District") within its Richfield Redevelopment Project Area (the "Project"); and

WHEREAS, as of the date hereof all bonds and obligations to which tax increment from the Gramercy TIF District have been pledged have been paid in full or defeased and all other costs of the Project have been paid; and

WHEREAS, the City desires by this resolution to cause the decertification of the Gramercy TIF District after which all property taxes generated by property within the District will be distributed in the same manner as all other property taxes.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Richfield Housing and Redevelopment Authority (the "HRA") that the HRA's staff shall take such action as is necessary to cause the County Auditor of Hennepin County to decertify the Gramercy TIF District as a tax increment district and to no longer remit tax increment from the Gramercy TIF District to the City.

DATED: November 18, 2019

Mary B. Supple, Chair

ATTEST:

Erin Vrieze Daniels, Secretary



STAFF REPORT NO. 40
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
11/18/2019

REPORT PREPARED BY: Myrt Link, Community Development Accountant
OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director
11/12/2019

ITEM FOR COUNCIL CONSIDERATION:

Consideration of a resolution decertifying the Interchange Tax Increment Financing District.

EXECUTIVE SUMMARY:

The Interchange Tax Increment Financing (TIF) District was established on October 28, 1996 and is a Redevelopment District comprised of the Dick's Sporting Goods store located along I-494 and I-35W. The first increment was received in 1998. The required decertification date is December 31, 2023.

The tax increment revenue in the form of a Pay-As-You-Go-Note was paid to the Developer to assist with land acquisition, site work and other public improvements. This obligation along with an Interfund Loan was paid in full as of August 1, 2019. Once all obligations are paid in full, a district is required to be decertified.

The decertification of the Interchange TIF District will result in an estimated increase of net Tax Capacity of 99,192 and an estimated increase in City Tax Revenue of \$53,199 for 2020.

RECOMMENDED ACTION:

By Motion: Adopt a resolution approving the decertification of the Interchange Tax Increment Financing District in the City of Richfield.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

The Interchange Tax Increment Financing (TIF) District was first established on October 28, 1996.

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

- The Housing and Redevelopment Authority (HRA) has completed all of its obligations including full payment of both the Pay-As-You-Go-Note and Interfund Loan and is required to be decertified.
- The HRA is the body responsible for the decertification of the Tax Increment Districts.

C. CRITICAL TIMING ISSUES:

- The decertification request needs to be received by Hennepin County prior to December 15, 2019 so they will recognize the increase in tax capacity for 2020.

D. FINANCIAL IMPACT:

- The decertification of the Interchange TIF District will result in an estimated increase of net Tax Capacity of 99,192 and an estimated increase in City Tax Revenue of \$53,199 for 2020.

E. LEGAL CONSIDERATION:

- The HRA has completed all of its obligations including full payment of both the Pay-As-You-Go-Note and Interfund Loan and is required to be decertified.

ALTERNATIVE RECOMMENDATION(S):

None

PRINCIPAL PARTIES EXPECTED AT MEETING:

Rebecca Kurtz, Ehlers Inc.

ATTACHMENTS:

Description	Type
☐ Decertification Resolution - Interchange	Resolution Letter

**RICHFIELD HOUSING AND REDEVELOPMENT AUTHORITY
CITY OF RICHFIELD
HENNEPIN COUNTY
STATE OF MINNESOTA**

**RESOLUTION APPROVING THE DECERTIFICATION OF THE
INTERCHANGE TAX INCREMENT FINANCING DISTRICT IN THE CITY OF
RICHFIELD**

WHEREAS, on October 28, 1996, the City of Richfield Minnesota (the "City") created its Interchange Tax Increment Financing District ("Interchange TIF District") within its Richfield Redevelopment Project Area (the "Project"); and

WHEREAS, as of the date hereof all bonds and obligations to which tax increment from the Interchange TIF District have been pledged have been paid in full or defeased and all other costs of the Project have been paid; and

WHEREAS, the City desires by this resolution to cause the decertification of the Interchange TIF District after which all property taxes generated by property within the District will be distributed in the same manner as all other property taxes.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Richfield Housing and Redevelopment Authority (the "HRA") that the HRA's staff shall take such action as is necessary to cause the County Auditor of Hennepin County to decertify the Interchange TIF District as a tax increment district and to no longer remit tax increment from the Interchange TIF District to the City.

DATED: November 18, 2019

Mary B. Supple, Chair

ATTEST:

Erin Vrieze Daniels, Secretary