

**May 2, 2019**  
**HRA Meeting**  
**Regular Meeting Agenda**  
**7:00 p.m.**

Call to order

Roll call.

Action Items

1. Approval of Expenditures
2. Approval of April 4, 2019 Meeting Minutes
3. Approval of Land Transfer – 6911 University Ave. - City Well house

Informational Items

1. CEE Programs & Services
2. Housing Program Update

Adjournment



City of Fridley, MN

# Check Report

By Check Number

Date Range: 03/25/2019 - 04/16/2019

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<b>Bank Code: APBNK-HRA-APBNK-HRA</b>						
PPT: 107738	FRIDLEY HRA ICMA 401	04/05/2019	EFT	0.00	323.13	304
PPT: 307066	FRIDLEY HRA ICMA 457	04/05/2019	EFT	0.00	184.62	305
hra-623	FRIDLEY, CITY OF	04/03/2019	Regular	0.00	1,101.79	30288
hra-1113	MONROE MOXNESS BERG PA	04/16/2019	Regular	0.00	20,932.95	30289
HRA-2621	JOHNSON, GREG	04/16/2019	Regular	0.00	540.00	30290
HRA-2623	STIMEY ELECTRIC INC	04/16/2019	Regular	0.00	420.00	30291
HRA-2627	WENCK ASSOCIATES INC	04/16/2019	Regular	0.00	3,809.51	30292
hra-311	CENTER FOR ENERGY & ENVIRONMENT	04/16/2019	Regular	0.00	35,426.80	30293

**Bank Code APBNK-HRA Summary**

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	11	6	0.00	62,231.05
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	2	2	0.00	507.75
	<b>13</b>	<b>8</b>	<b>0.00</b>	<b>62,738.80</b>

### All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	11	6	0.00	62,231.05
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	2	2	0.00	507.75
	<b>13</b>	<b>8</b>	<b>0.00</b>	<b>62,738.80</b>

### Fund Summary

Fund	Name	Period	Amount
099	Pooled Cash - HRA	4/2019	62,738.80
			<b>62,738.80</b>



City of Fridley, MN

# Check Report

By Check Number

Date Range: 04/17/2019 - 04/24/2019

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<b>Bank Code: APBNK-HRA-APBNK-HRA</b>						
PPT: 107738	FRIDLEY HRA ICMA 401	04/19/2019	EFT	0.00	319.38	306
PPT: 307066	FRIDLEY HRA ICMA 457	04/19/2019	EFT	0.00	184.62	307
hra-623	FRIDLEY, CITY OF	04/17/2019	Regular	0.00	964.01	30294
hra-112	ANOKA, COUNTY OF	04/23/2019	Regular	0.00	721.98	30295
hra-220	BRAUN INTERTEC CORPORATION	04/23/2019	Regular	0.00	27,452.71	30296
HRA-2641	DAVE PERKINS CONTRACTING	04/23/2019	Regular	0.00	4,034.00	30297
hra-623	FRIDLEY, CITY OF	04/23/2019	Regular	0.00	66,859.93	30298

**Bank Code APBNK-HRA Summary**

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	9	5	0.00	100,032.63
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	2	2	0.00	504.00
	<b>11</b>	<b>7</b>	<b>0.00</b>	<b>100,536.63</b>

### All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	9	5	0.00	100,032.63
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	2	2	0.00	504.00
	<b>11</b>	<b>7</b>	<b>0.00</b>	<b>100,536.63</b>

### Fund Summary

Fund	Name	Period	Amount
099	Pooled Cash - HRA	4/2019	100,536.63
			<b>100,536.63</b>

**CITY OF FRIDLEY  
HOUSING AND REDEVELOPMENT AUTHORITY COMMISSION  
April 4, 2019**

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**Chairperson Holm** called the Housing and Redevelopment Authority Meeting to order at 8:15 p.m.

**MEMBERS PRESENT:** William Holm  
Elizabeth Showalter  
Dave Ostwald  
Gordon Backlund  
Kyle Mulrooney

**OTHERS PRESENT:** Paul Bolin, HRA Assistant Executive Director  
Wally Wysopal, City Manager  
Scott Hickok, Community Development Director  
Jim Casserly, Development Consultant

**Action Items:**

**1. Approval of Expenditures**

**MOTION** by Commissioner Mulrooney to approve the expenses as submitted. Seconded by Commissioner Backlund.

**UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON HOLM DECLARED THE MOTION CARRIED UNANIMOUSLY**

**2. Approval of March 7, 2019 Meeting Minutes**

**MOTION** by Commissioner Showalter to approve the minutes as presented. Seconded by Commissioner Mulrooney.

**UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON HOLM DECLARED THE MINUTES APPROVED.**

**3. Amendment to Development Contract – Sherman Associates**

**Paul Bolin**, HRA Assistant Executive Director, stated that the market rate building will be four stories of living space with underground parking. It will border Main Street and 61<sup>st</sup> Avenue and have 95 multi-family apartment units that will include a mix of studios and two bedrooms. There will be 72 underground parking stalls and 42 surface parking spaces. The mixed income building will be 4-stories of living space with underground parking. It will be located along the south edge of the site next to Main Street. There will be 72 units of 1, 2, and 3 bedroom options with 66

underground parking stalls and 42 surface parking stalls. This building will provide housing for those families earning below 60% Median Income (AMI).

**Mr. Bolin** stated that the development agreement was approved in May 2018. Delays and lack of housing tax credits added \$1.35M to the cost of the mixed income building. The gap is filled by construction cost reduction, deferred developers fee and \$600,000 loan from HRA. Delays also cause a need to change dates in the existing contract. Units were also added to senior and the market rate building. Staff recommends the Authority approve a motion to adopt a resolution approving the restated contract.

**Commissioner Holm** thought this was a significant project that adds to the transit zone.

**Commissioner Backlund** asked if the 2% interest applied only to subsidized housing mixed income, not to the other two buildings.

**Mr. Bolin** replied correct.

**MOTION** by Commissioner Mulrooney to amend the development contract with Sherman Associates. Seconded by Commissioner Showalter.

**UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON HOLM DECLARED THE MOTION CARRIED UNANIMOUSLY**

#### **4. Approval of Land Sale – Sherman – 6050 Main Street**

**MOTION** by Commissioner Showalter to open the public hearing. Seconded by Commissioner Backlund.

**UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON HOLM DECLARED THE MOTION CARRIED AND THE PUBLIC HEARING OPENED AT 8:27 PM.**

**Paul Bolin**, HRA Assistant Executive Director, stated that Sherman Associates is getting ready to start construction this summer and now is the correct time to hold public hearing and get approval of the sale of the property. Staff recommends adopting the resolution authorizing the sale of the property to Sherman Associates as described in the development agreement.

**Carol Mette**, Sherman Associations, stated that they hope to break ground this summer and close on both the market rate and senior property at the same time. They would start construction on the northeast corner working back. The priority is to turn over the metro transit parking lot first. Once that complete construction can begin on the buildings.

**Chairperson Holm** asked for the approximate date of completion.

**Ms. Mette** replied 12 months but more like 16 months for all three projects.

**Chairperson Holm** asked about the mixed-use building.

**Ms. Mette** replied that would close in August. There is a different time frame because they are looking for bond allocations with tax credits from the State.

**Jim Casserly** added that the reason for the amended development agreement is to facilitate the affordable housing. The Authority will assist with the loan to Sherman Associates to make that project happen. This agreement allows flexibility in the timing and closing and when each project needs to be completed. They pay \$500,000 each for the land but for the affordable housing they pay for land through the deferred loan.

**Chairperson Holm** noted that this also involves arrangements with the rail authority.

**Mr. Casserly** replied yes.

**Commissioner Backlund** asked if each building was on their own or integrated into the project to get the third part approved.

**Ms. Mette** replied that the affordable housing isn't a requirement for them to start on the first two buildings. They plan to do all three and will be financially independent buildings, but all operated as Sherman Associates. All three buildings will be linked together with the club house amenities. The affordable piece is contingent on funding that has been applied for, the other two buildings will close together and work on those two buildings at the same time.

**Commissioner Backlund** asked about the different loan rates.

**Ms. Mette** replied that the market rate senior project is anticipating working with the same lender and finance them both similarly. There will be easement agreements that addresses who pays for things like the clubhouse and shared driveways for example.

**Commissioner Backlund** asked if each building would have similar amenities like kitchen, appliances etc.

**Ms. Mette** replied that the goal is to have similar qualities. The affordable housing will be a little different due to the guidelines that have to be meet. Overall, they anticipate the design level to be the same across the properties. There will be no difference in the quality of the units. each building will have specialty focused amenities for the tenants

**Commissioner Backlund** asked if the outside of the building would be different or similar.

**Ms. Mette** replied that the exterior of the building will all have similar elements. Each will have their own uniqueness, independent design.

**Commissioner Mulrooney** asked how many parking spaces would be left.

**Mr. Bolin** replied 80 vs 330.



**MOTION** by Commissioner Backlund to close the public hearing. Seconded by Commissioner Showalter.

**UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON HOLM DECLARED THE MOTION CARRIED AND THE PUBLIC HEARING CLOSED AT 8:40 PM.**

**MOTION** by Commissioner Showalter to approve the land sale, Sherman, 6050 Main Street. Seconded by Commissioner Ostwald.

**UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON HOLM DECLARED THE MOTION CARRIED UNANIMOUSLY**

### **5. Amendment to Development Contract – 6431 University Avenue**

**Paul Bolin**, HRA Assistant Executive Director, stated that the new development will be accessed from Fourmies Avenue, where there will be a parking lot with 43 surface stalls and a drop-off canopy at the front door. The underground parking garage will be accessed from the existing “alley” that connects to 5<sup>th</sup> Street. In August the Authority approved exclusive negotiations with Steve Dunbar (Fridley Investments, LLC). In January 2018 D.A. Approved the elements from August E.N.A. similar to other HRA D.A.’s closing May 1, 2019. This amendment would change the closing date from May 1 to August 1. Staff recommends the Authority approve a resolution to amending the existing contract to accommodate changing the closing date.

**Chairperson Holm** asked if it has been determined who will do the demolition.

**Mr. Bolin** replied no. The demolition costs depend on how it is done, and staff is still working on a solution for the demolition.

**Jim Winkles**, Amco Construction, added that they have engaged with an engineer to look at how to go about the demo of the parking ramp. The consulting engineer will have a report ready next week. Once this is completed, we will be able to put together the demolition plan and bid the project. The contract reads that three bids are needed, and we don’t have to use the lowest bid, but the contact amount will be used in determination in what the HRA will reimburse. We prefer to use the same people for demolition and construction.

**MOTION** by Commissioner Backlund to amend the development contract with Sherman Associates. Seconded by Commissioner Mulrooney.

**UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON HOLM DECLARED THE MOTION CARRIED UNANIMOUSLY**

### **6. Approval of Land Sale – LI, LLC 6431 University Avenue**

**MOTION** by Commissioner Backlund to open the public hearing. Seconded by Commissioner Backlund.

**UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON HOLM DECLARED THE MOTION CARRIED AND THE PUBLIC HEARING OPENED AT 8:56 PM.**

**Paul Bolin**, HRA Assistant Executive Director, stated that the development agreement lays out terms for the sale. The \$2.2M sales price is based on the appraisal, the fair market value. \$2.0M would be put into escrow to reimburse the developer for extraordinary demolition costs.

**Chairperson Holm** asked what the financial implications were for the sale of the property based on questions for the demolition and if it was accommodated in the sales price.

**Jim Casserly**, Development Consultant, replied that will be handled through the closing and an escrow will be created in which \$2M would be put in to cover the extraordinary costs. This is a common arrangement for the Authority to place money in escrow to provide reimbursement for extraordinary costs.

**MOTION** by Commissioner Showalter to close the public hearing. Seconded by Commissioner Ostwald.

**UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON HOLM DECLARED THE MOTION CARRIED AND THE PUBLIC HEARING CLOSED AT 9:00 PM.**

**MOTION** by Commissioner Showalter to approve the land sale, LI, LLC 6431 University Avenue. Seconded by Commissioner Ostwald.

**UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON HOLM DECLARED THE MOTION CARRIED UNANIMOUSLY**

**Informational Items:**

**1. CEE Housing Programs Update**

**Paul Bolin**, HRA Assistant Executive Director, reported that two loans closed in March for a total of five year-to-date. There was one remodel advisor visit in March and one Home Energy Squad Visit for a total of 12 year-to-date. The next meeting is May 2<sup>nd</sup> at 7:00 p.m.

**Adjournment:**

**MOTION** by Commissioner Mulrooney to adjourn. Seconded by Commissioner Showalter.

**UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON HOLM DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE MEETING ADJOURNED AT 9:03 PM.**



## **ACTION ITEM**

### **HRA MEETING OF MAY 2, 2019**

DATE: April 25, 2019  
TO: Wally Wysopal, Executive Director of HRA  
FROM: Paul Bolin, Assistant HRA Director  
SUBJECT: Transfer Property to City

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In order to facilitate construction of the new Municipal Campus and surrounding private development, the City and Authority exchanged some properties in 2017. The Authority transferred the former Columbia Arena site (area in yellow on attached map) to the City. The City transferred property, South of City hall to the Authority in order to maximize the amount of land available for private development (Outlots A, C, D, E & F on Original 2017 Plat map attached).

As part of the Pulte patio home project, Outlots E & F were further divided by the Locke Pointe 2018 Plat. The City's well house is now on Lot 1 (shown in green on attached map). As the City is preparing to make major improvements to the well house, the property should be returned to them at this time for liability and funding reasons.

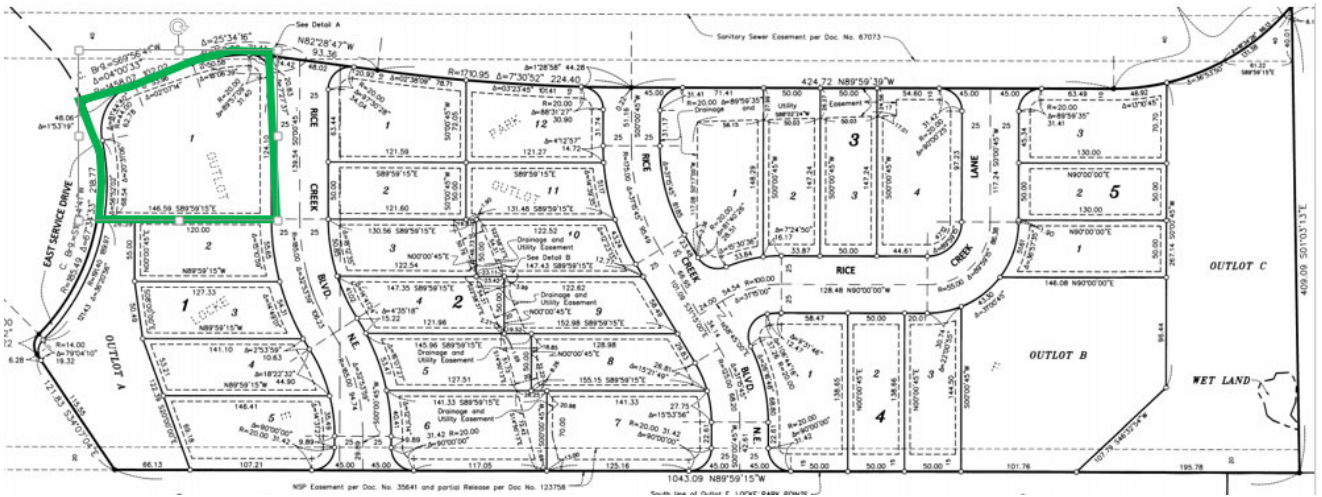
#### Recommendation

Staff recommends that the Authority approve the attached resolution authorizing transfer of the well house parcel back to the City.

Original 2017 Plat



Locke Pointe 2018 Plat



**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE  
CITY OF FRIDLEY  
COUNTY OF ANOKA  
STATE OF MINNESOTA**

**RESOLUTION NO. 2019-**

**A RESOLUTION REGARDING THE  
TRANSFER OF HRA PROPERTY  
TO THE CITY OF FRIDLEY**

BE IT RESOLVED by the Board of Commissioners (the "Board") of the Housing and Redevelopment Authority in and for the City of Fridley, Minnesota (the "Authority") as follows:

Section 1. Recitals.

1.01. It has been proposed that the Authority convey property (Parcel Identification Number 11-30-24-34-0015; Street Address: 6911 University Avenue N.E.) (the "Authority Property"), legally described as Lot 1, Block 1 Locke Pointe, to the City of Fridley, Minnesota (the "City").

1.02 The Authority has performed all the actions required by law for the transfer of the Authority Property to the City.

1.03 The Authority Property contains the City well house.

Section 2. Findings.

2.01. The Authority acquired the Authority Property in 2017 to facilitate private development.

2.02. The City and Authority cooperatively replatted the property to maximize the area available for private development on or around the well house, with the intent of the Authority conveying the well house property back to City upon completion of private development.

2.03 The private development has been issued a certificate of completion and the Authority will now transfer the Authority property containing the well house back to City.

Section 3. Authorizations.

3.01. The Chairperson and the Executive Director are hereby authorized to execute a deed and any other documents convenient and necessary for the transfer of the Authority Property to the City.

Adopted by the Board of the Authority this 2nd day of May, 2019.

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Chairperson

ATTEST:

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Executive Director

MMB: 4830-6730-1190



## **INFORMATIONAL ITEM**

### **HRA MEETING OF MAY 2, 2019**

**DATE:** April 25, 2019  
**TO:** Wally Wysopal, Executive Director of HRA  
**FROM:** Paul Bolin, Assistant HRA Director  
**SUBJECT:** Existing & Potential CEE Programs / Services

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The Authority has contracted with the Center for Energy and Environment (CEE) since 1996 to administer the City's housing rehabilitation loan programs. This partnership, allows the HRA to outsource a number the loan program's administrative functions, including program marketing, loan processing, underwriting, loan closing, and disbursements to the contractors.

The partnership with CEE allows the Authority to leverage outside dollars (e.g. Minnesota Housing Finance Agency, Met Council, Federal funds, etc.) and customize loan packages to meet individual homeowners' circumstances. Through the Authority's "Remodeling Advisor" service, staffed by CEE, Fridley homeowners are able to obtain technical assistance on remodeling, energy conservation, indoor air quality and related subjects. The "Home Energy Squad" helps Fridley homeowners save money on their utility bills through a home visit and installation of energy saving products.

Over the past year, the Authority has added two new Commissioners. Though Commissioners are updated on loan and remodeling advisor activity, monthly, the timing is right to meet with CEE staff and learn about the existing programs and any new programs or services that may be of interest to the Authority.

CEE staff will provide an overview of our existing programs (loan program / remodeling advisor / Home Energy Squad) and provide an overview of new programs that may meet needs in our community. CEE is now providing loan servicing and a new payment option for borrower's (on bill payment through Centerpoint Energy). Jim Hasnik from CEE will provide a presentation and answer any questions you may have about existing and proposed CEE programs.

The Authority is not being asked to take any action on the information presented. It is simply a chance to learn more about CEE and its current programs. Staff will likely bring a recommendation to engage CEE for loan servicing, and the online bill payment, at a meeting in the near future.

**Fridley HRA  
Housing Program Summary  
Cover Page  
May 2, 2019 HRA Meeting**

**Report**

**Description**

Loan Summary Report

Loan application activity (e.g. mailed out, in process, closed loans) for year-to-date.

Also shows the number of field appointments scheduled and completed for the Remodeling Advisor Services administered by Center for Energy and Environment.

Home Energy Squad

E-mail detailing recent activity and year to date.



# Fridley Loan Summary Report

## Activity for Period 3/16/2019 - 4/15/2019



Application packets requested/mailed:	This period:	1	Year-to-Date:	2
Residential Advisor Visits:	This period:	2	Year-to-Date:	2
Loans currently in process for residents in your City/Neighborhood:	10			

Closed Loans	This period:	Units	Year-to-Date:	Units
<b>Fridley</b>		0		0
<b>Closed End</b>	0.00	0	40,213.57	2
<b>Last Resort</b>	0.00	0	0.00	0
<b>Last Resort Emergency     Deferred</b>	0.00	0	0.00	0
<b>Mobile Home Closed End</b>		0		0
<b>Senior Deferred</b>	12,330.00	1	50,542.80	3
<b>Total</b>	12,330.00	1	90,756.37	5

Leveraged Funds	This period:	Units	Year-to-Date:	Units
		0		0
<b>Total</b>		0		0

Types of Improvements Financed YTD	# of Projects	% of Total
Bathrooms	1	8.33
Driveways	1	8.33
Electrical	1	8.33
Flooring/Carpet/Tile	2	16.67
Garage	1	8.33
Other Exterior Improvements	3	25.00
Other Interior Improvements	2	16.67
Windows, Doors, Storm Windows, Storr	1	8.33

Types of Properties Financed YTD	#	% of Total
<b>Single Family Residence</b>	5	100.00