

HENNEPIN COUNTY

MINNESOTA

FINAL BOARD AGENDA

BOARD OF HENNEPIN COUNTY COMMISSIONERS
HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
THURSDAY, NOVEMBER 15, 2018
1:30 PM

Chair: Linda Higgins, District 2
Vice-Chair: Debbie Goettel, District 5
Members: Mike Opat, District 1
Marion Greene, District 3
Peter McLaughlin, District 4
Jan Callison, District 6
Jeff Johnson, District 7

1. Approval of the Agenda

2. Minutes from Previous Meeting

A. 10/02/2018 HRA Minutes

3. New Business

A. 18-HCHRA-0032

Establish a meeting of the Housing and Redevelopment Authority on Tuesday, December 11, 2018

B. 18-HCHRA-0033

Neg Amd 1 to Agmt A166355 with MN Housing for the Healthy Homes Assistance Project, extend contract period to 03/26/19, no change in recv of \$75,000

C. 18-HCHRA-0034

Neg Agmt PR00000631 with City of Bloomington HRA to provide matching gap funding for construction of a new single-family home on a tax forfeit lot, 11/15/18- 12/31/19, NTE \$35,000

D. 18-HCHRA-0035

Authorization to acquire 2947 Thomas Ave N in Mpls, NTE \$145,000; establish a public hearing on 12/6/18 on the proposed sale of 2947 Thomas Ave N to City of Lakes Community Land Trust

E. 18-HCHRA-0036

Neg Amd 5 to Agmt A111093 with Lyndale Gardens, LLC, to modify loan terms, extend contract period to 12/31/23; Neg Amd 1 to Agmt A165446 with City of Mpls, extend contract period to 12/31/19

New Business - Revised

18-HCHRA-0035

R1

Authorization to acquire 2947 Thomas Ave N in Mpls, NTE \$147,000; establish a public hearing on 12/6/18 on the proposed sale of 2947 Thomas Ave N to City of Lakes Community Land Trust

HENNEPIN COUNTY

MINNESOTA

MEETING MINUTES

Chair: Linda Higgins, District 2
Vice-Chair: Debbie Goettel, District 5

BOARD OF HENNEPIN COUNTY COMMISSIONERS
HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
TUESDAY, OCTOBER 2, 2018
1:30 PM

Members: Mike Opat, District 1
Marion Greene, District 3
Peter McLaughlin, District 4
Jan Callison, District 6
Jeff Johnson, District 7

The Board of Commissioners of the Hennepin County Housing and Redevelopment Authority met in the Hennepin County Government Center on October 2, 2018. The meeting was called to order at 3:55 PM by Commissioner Linda Higgins, Chair. All Commissioners were present.

1. Approval of the Agenda

Commissioner Debbie Goettel moved to approve the agenda, seconded by Commissioner Peter McLaughlin and approved - 7 Yeas

APPROVED

2. Minutes from Previous Meeting

A. 09/25/2018 HRA Meeting Minutes

APPROVED

Commissioner Peter McLaughlin moved to adopt the Minutes, seconded by Commissioner Marion Greene and approved - 7 Yeas

3. Claims Register

A. **18-HCHRA-0029**

Claims Register for the period ending September 24, 2018

BE IT RESOLVED, that the Claims Register for the period ending September 24, 2018 be approved/ratified.

ADOPTED

Commissioner Peter McLaughlin moved to adopt, seconded by Commissioner Marion Greene and approved –
7 Yeas

4. New Business

A. **18-HCHRA-0030**

Accept fund transfer from Hennepin County; neg Agmt PR00000543 with the City of Mpls, 10/15/18-12/31/20, NTE \$200,000; adopt evaluation criteria for investments

BE IT RESOLVED, that the Hennepin County Housing and Redevelopment Authority Board accepts the transfer of \$200,000 from Hennepin County Penn Avenue Community Works (CP 1001560) to the 2018 Hennepin County Housing and Redevelopment Authority Fund 37 Special Projects budget CP 1004174 (HCHRA: Penn Avenue Redevelopment), as identified in Hennepin County Resolution 16-0099R1; and

BE IT FURTHER RESOLVED, that the Executive Director be authorized to negotiate Cost-Participation Agreement PR00000543 with the City of Minneapolis, during the period October 15, 2018 through December 31, 2020, with the not to exceed amount of \$200,000, to provide matching funds for property acquisition and redevelopment-related activities aligning with the approved Penn Avenue Community Works Implementation Framework; that following review

and approval by the County Attorney's Office, the Chair be authorized to sign the agreements and related documents on behalf of the Authority; and that the Controller be authorized to accept and disburse funds as directed; and

BE IT FURTHER RESOLVED, that the following criteria is to be used in evaluating the level of cost participation, if any, in each specific HCHRA/City investment opportunity: degree to which the acquisition will enhance the tax base; facilitate transit-oriented and sustainable development; eliminate blighting influences and/or remediate contaminated sites; increase neighborhood employment opportunities; increase the number of housing units and provide diversity in housing types, densities, and affordability levels; and align with other county investments and assets.

ADOPTED

Commissioner Peter McLaughlin moved to adopt the Resolution, seconded by Commissioner Debbie Goettel and approved - 7 Yeas

B.18-HCHRA-0031

Authorize the issuance of tax-exempt Multifamily Housing Revenue Bonds for the benefit of East Town Apartments Limited Partnership for a 169-unit affordable housing project at 618 9th Ave. S., Mpls. (formerly proposed at 815 6th St. S.)

WHEREAS, the Hennepin County Housing and Redevelopment Authority (the "Issuer") is a housing and redevelopment authority and a public body corporate and politic duly organized and existing under the Constitution and laws of the State of Minnesota; and

WHEREAS, on December 13, 2016, the Board of Commissioners (the "Board") of the Issuer adopted Resolution 16-HCHRA-0049 (the "Preliminary Resolution"), under the terms of which the Issuer granted preliminary approval to the issuance of multifamily housing revenue obligations, in an amount not to exceed \$20,000,000, under the terms of Minnesota Statutes, Chapters 462C and 474A, as amended (collectively, the "Act"), for the benefit of East Town Apartments Limited Partnership, a Minnesota limited partnership (the "Borrower"); and

WHEREAS, the Preliminary Resolution constitutes a reimbursement resolution and an official intent of the Issuer to reimburse expenditures with respect to the Project (as hereinafter defined) from the proceeds of tax-exempt revenue obligations in accordance with the provisions of Treasury Regulations, Section 1.150-2; and

WHEREAS, on May 2, 2017, following a duly noticed public hearing, the Board adopted Resolution 17-HCHRA-0022 (the "Temporary Note Resolution"), pursuant to which the Board authorized the issuance of the Issuer's Multifamily Housing Revenue Note (East Town Apartments Limited Partnership Project), Series 2017 (the "Note"), in the principal amount of \$9,885,638, to provide short-term financing for the acquisition, construction, and equipping of an approximately 169-unit multifamily rental housing development to be located at 815 South Sixth Street in the City of Minneapolis, Minnesota for occupancy by persons and families of low-and moderate-income (the "Project"); and

WHEREAS, the Issuer issued the Temporary Note on May 22, 2017 and sold it to Bridgewater Bank; and

WHEREAS, the Borrower intended to refund the Temporary Note with the proceeds of permanent obligations to be issued by the Issuer; and

WHEREAS, the location of the Project is now proposed be at 618 9th Avenue South in the City of Minneapolis, which is on the same city block as the originally proposed address of 815 South Sixth Street in the city; and

WHEREAS, the Borrower is requesting that the Issuer now issue its multifamily housing revenue obligations, in one or more series, as tax-exempt obligations (the "Obligations"), in the maximum aggregate principal amount of \$9,885,638, as permanent financing for the Project, the proceeds of which shall be used to refund the Temporary Note, the unspent proceeds of which shall be applied to the payment of costs for the acquisition, construction, and equipping of the Project; and

WHEREAS, the Obligations are proposed to be issued pursuant to the Preliminary Resolution, the Temporary Note Resolution, this resolution, and the Act; and

WHEREAS, the Obligations shall be sold to U.S. Bank National Association, a national banking association, or another commercial lender selected by the Borrower (the "Lender"), in a private placement under terms and conditions negotiated between the Borrower and the Lender, and the proceeds derived from the sale of the Obligations shall be loaned by the Issuer to the Borrower pursuant to the terms of a Loan Agreement, dated on or after October 2, 2018 (the "Loan Agreement"), between the Issuer and the Borrower; and

WHEREAS, the interests of the Issuer in the Loan Agreement (except for certain rights of indemnification, the payment of the fees of the Issuer, and the payment and reimbursement for certain costs and expenses of the Issuer)

shall be assigned to the Lender pursuant to an Assignment of Loan Agreement, dated on or after October 2, 2018 (the "Assignment of Loan Agreement"), between the Issuer and the Lender; and

WHEREAS, the obligations of the Borrower under the Loan Agreement shall be secured by such mortgages, assignments of mortgages, security agreements, assignments of rents, guarantees, and other security instruments and documents as the Borrower and the Lender shall agree (the "Security Documents"), including in particular, a Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (or another document with an alternate title), dated on or after October 2, 2018, from the Borrower to the Issuer, which shall be assigned by the Issuer to the Lender under the terms of an Assignment of Mortgage, dated on or after October 2, 2018 (the "Assignment of Mortgage"); and

WHEREAS, to ensure compliance with certain rental and occupancy restrictions imposed by the Act and Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer, the Borrower, and the Lender shall execute a Regulatory Agreement, dated on or after October 2, 2018 (the "Regulatory Agreement"); and

WHEREAS, the Obligations and the interest on the Obligations (i) shall be payable solely from the revenues pledged and security provided therefor under the Loan Agreement, and additional sources of revenue provided by or on behalf of the Borrower; (ii) shall not constitute a debt of the Issuer or Hennepin County (the "County") within the meaning of any constitutional or statutory limitation; (iii) shall not constitute nor give rise to a pecuniary liability of the Issuer or the County or a charge against their general credit or taxing powers; (iv) shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Issuer or the County other than the Issuer's interest in the Loan Agreement; and (v) shall not constitute a general or moral obligation of the Issuer or the County.

BE IT RESOLVED, that the Board of Commissioners of the Hennepin County Housing and Redevelopment Authority approves the following:

1. The Issuer acknowledges, finds, determines, and declares that the issuance of the Obligations is authorized by the Act and is consistent with the purposes of the Act and that the issuance of the Obligations, and the other actions of the Issuer under the Loan Agreement, the Regulatory Agreement, and this resolution constitute a public purpose and are in the interests of the Issuer. The Project constitutes a "qualified residential rental project" within the meaning of Section 142(d) of the Code, and a "multifamily housing development" authorized by the Act, and furthers the purposes of the Act. In authorizing the issuance of the Obligations for the refinancing of the Project and the related costs, the Issuer's purpose is and the effect thereof will be to promote the public welfare of the Issuer and its residents by providing multifamily housing developments for low-or-moderate-income residents of the County and otherwise furthering the purposes and policies of the Act.
2. For the purposes set forth above, there is hereby authorized the issuance, sale, and delivery of the Obligations in one or more series in the aggregate principal amount not to exceed \$9,885,638. The Obligations may be designated as: (i) Multifamily Housing Revenue Refunding Notes (East Town Apartments Project), Series 2018A; and (i) Multifamily Housing Revenue Refunding Notes (East Town Apartments Project), Series 2018B. The Obligations may be given a different designation and may be issued in any additional series, as the Chair of the Issuer and the Executive Director of the Issuer (the "Chair" and the "Executive Director"), in their discretion, shall determine. The Obligations, substantially in the forms now on file with the Issuer, are hereby approved with such necessary and appropriate variations, omissions, and insertions (including any changes to the title of the Obligations as deemed appropriate and changes to the aggregate principal amount of the Obligations, the stated maturity of the Obligations, the interest rates on the Obligations, and the terms of redemption of the Obligations) as the Chair and Executive Director (the "Issuer Officials"), in their discretion, shall determine. The execution of the Obligations with the manual or facsimile signatures of the Issuer Officials and the delivery of the Obligations by the Issuer Officials shall be conclusive evidence of such determination. All of the provisions of the Obligations, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Issuer hereby authorizes the Obligations to be issued, in whole or in part, as "tax-exempt bonds" the interest on which is excludable from gross income for federal and State of Minnesota income tax purposes or as taxable bonds.
3. The Loan Agreement is hereby approved and the Issuer Officials are hereby authorized to execute and deliver the Loan Agreement on behalf of the Issuer. All of the provisions of the Loan Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Loan Agreement shall be substantially in the form now on file with the Issuer with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, as the Issuer Officials, in their discretion, shall determine, and the execution and delivery thereof by the Issuer Officials shall be conclusive evidence of such determination. The proceeds of the loan to be made under the terms of the Loan Agreement (the "Loan") are hereby authorized to be applied to the refunding of the Temporary Note, the

unspent proceeds of which are to be applied to the payment of a portion of the costs of the acquisition, construction, and equipping of the Project and related costs.

4. The Assignment of Loan Agreement is hereby approved and the Issuer Officials are hereby authorized to execute and deliver the Assignment of Loan Agreement on behalf of the Issuer. All of the provisions of the Assignment of Loan Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Assignment of Loan Agreement shall be substantially in the form on file with the Issuer which is hereby approved, with such omissions and insertions as do not materially change the substance thereof, and as the Issuer Officials, in their discretion, shall determine, and the execution thereof by the Issuer Officials shall be conclusive evidence of such determination.
5. The Issuer hereby authorizes and approves the execution and delivery of the Security Documents by the Borrower to the Lender. The Assignment of Mortgage is hereby approved and the Issuer Officials are hereby authorized and directed to execute and deliver the Assignment of Mortgage on behalf of the Issuer. All of the provisions of the Assignment of Mortgage, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Assignment of Mortgage shall be substantially in the form on file with the Issuer which is hereby approved, with such omissions and insertions as do not materially change the substance thereof, and as the Issuer Officials, in their discretion, shall determine, and the execution thereof by the Issuer shall be conclusive evidence of such determination.
6. The Regulatory Agreement is hereby approved and the Issuer Officials are hereby authorized and directed to execute and deliver the Regulatory Agreement on behalf of the Issuer. The Regulatory Agreement shall be substantially in the form now on file with the Issuer which is hereby approved, with such omissions and insertions as do not materially change the substance thereof, as the Issuer Officials, in their discretion, shall determine, and the execution thereof by the Issuer Officials shall be conclusive evidence of such determination. All of the provisions of the Regulatory Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof.
7. The Obligations shall not constitute general or moral obligations of the Issuer but shall be special, limited obligations of the Issuer payable solely from the revenues provided by the Borrower under the terms of the Loan Agreement and from the revenues and security pledged, assigned, and granted under the terms of this resolution, the Obligations, the Loan Agreement, and any other security documents provided by the Borrower or any other party to secure the timely payment of the principal of, premium, if any, and interest on the Obligations. As provided in the Loan Agreement, the Obligations shall not be payable from nor charged upon any funds other than the revenue pledged to their payment, nor shall the Issuer be subject to any liability thereon, except as otherwise provided in this paragraph. No holder of the Obligations shall ever have the right to compel any exercise by the Issuer or the County of any taxing powers of the Issuer or the County to pay the Obligations or the interest or premium thereon, or to enforce payment thereof against any property of the Issuer or the County except the interests of the Issuer in the Loan Agreement and the revenues and assets thereunder, which will be assigned to the Lender under the terms of the Assignment of Loan Agreement.
8. The Obligations shall recite that the Obligations are issued under the Act, and that the Obligations, including interest and premium, if any, thereon, are payable solely from the revenues and assets pledged to the payment thereof, and the Obligations shall not constitute a debt of the Issuer or the County within the meaning of any constitutional or statutory limitations.
9. The Issuer Officials and any officer, agent, or employee of the Issuer are authorized, upon request, to furnish certified copies of all proceedings and records of the Issuer relating to the Obligations, and such other affidavits and certificates as may be required to show the facts relating to the Obligations as such facts appear from the books and records in the custody and control of the Issuer; and all such certified copies, certificates, and affidavits, including any heretofore furnished, shall constitute representations of the Issuer as to the truth of all statements contained therein. The Issuer Officials are hereby further authorized to execute and deliver, on behalf of the Issuer, all other certificates, instruments, and other written documents that may be requested by Kennedy & Graven, Chartered ("Bond Counsel"), the Lender, the Borrower, or other persons or entities in conjunction with the issuance of the Obligations and the expenditure of the proceeds of the Obligations. Without imposing any limitations on the scope of the preceding sentence, the Issuer Officials are specifically authorized to execute and deliver such other documents and certificates as are necessary or appropriate in connection with the issuance, sale, and delivery of the Obligations, including one or more consents to the assignment of a development agreement, and other funds made available to the Borrower and the Project, one or more Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038, with respect to the Obligations, endorsements to any tax certificates as to arbitrage, rebate, and other federal tax matters executed and delivered in connection with the issuance of the Obligations, appropriate amendments to the Housing Program (as described in the Preliminary Resolution and the Temporary Note Resolution), and all

other documents and certificates as the Issuer Officials shall deem to be necessary or appropriate in connection with the issuance, sale, and delivery of the Obligations. The Issuer Officials are hereby further authorized and directed to execute and deliver all other instruments and documents necessary to accomplish the purposes for which the Obligations are to be issued. The preparation and filing of Uniform Commercial Code financing statements with respect to the assignment of the interests of the Issuer in the Loan Agreement (excluding any unassigned rights as provided in the Loan Agreement), are hereby authorized. The Issuer hereby authorizes Bond Counsel to prepare, execute, and deliver its approving legal opinions with respect to the Obligations.

10. It is not expected that any disclosure documents will be prepared in connection with the issuance and sale of the Obligations. In the event that an official statement or other disclosure document is prepared relating to the offer and sale of the Obligations ("Disclosure Documents"), the Issuer will not participate in the preparation or distribution of such Disclosure Documents and will make no independent investigation with respect to the information contained in the Disclosure Documents and the Issuer assumes no responsibility for the sufficiency, accuracy, or completeness of such information.
11. The authority to approve, execute, and deliver future amendments to any of the documents referred to in this resolution or other documents executed and delivered by the Issuer in connection with the issuance of the Obligations is hereby delegated to the Issuer Officials, subject to the following conditions: (i) such amendments do not materially adversely affect the interests of the Issuer; (ii) such amendments do not contravene or violate any policy of the Issuer, and (iii) such amendments are acceptable in form and substance to the Hennepin County Attorney, Dorsey & Whitney LLP, in its capacity as counsel to the Issuer ("Issuer's Counsel"), and Bond Counsel. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this resolution. The execution of any instrument by the Issuer Officials shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof.
12. No covenant, stipulation, obligation, or agreement herein contained or contained in the aforementioned documents shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the Board, or any officer, agent, or employee of the Issuer in that person's individual capacity, and neither the Board nor any officer, agent, or employee executing the Obligations or any such documents shall be personally liable on the Obligations or such documents or be subject to any personal liability or accountability by reason of the issuance of the Obligations or the execution and delivery of such documents. No provision, covenant, or agreement contained in the aforementioned documents, the Obligations, or in any other document relating to the Obligations, and no obligation therein or herein imposed upon the Issuer or the breach thereof, shall constitute or give rise to a general or moral obligation of the Issuer or any pecuniary liability of the Issuer or any charge upon its general credit or taxing powers. In making the agreements, provisions, covenants, and representations set forth in such documents, the Issuer has not obligated itself to pay or remit any funds or revenues, other than funds and revenues derived from the Loan Agreement, which are to be applied to the payment of the Obligations, as provided therein.
13. Except as herein otherwise expressly provided, nothing in this resolution or in the aforementioned documents expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation, other than the Issuer, and any holders of the Obligations issued under the provisions of this resolution, any right, remedy or claim, legal or equitable, under and by reason of this resolution or any provisions hereof, this resolution, the aforementioned documents, and all of their provisions being intended to be and being for the sole and exclusive benefit of the Issuer, the Borrower, the Lender, and any beneficial owners from time to time of the Obligations issued under the provisions of this resolution.
14. In case any one or more of the provisions of this resolution, other than the provisions limiting the liability of the Issuer, or of the aforementioned documents, or of the Obligations issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution, or of the aforementioned documents, or of the Obligations, but this resolution, the aforementioned documents, and the Obligations shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein.
15. The Obligations, when executed and delivered, shall contain a recital that they are issued in accordance with the Act, and such recital shall be conclusive evidence of the validity of the Obligations and the regularity of the issuance thereof, and that all acts, conditions, and things required by the laws of the State of Minnesota relating to the adoption of this resolution, to the issuance of the Obligations, and to the execution of the aforementioned documents to happen, exist, and be performed precedent to the execution of the aforementioned documents have happened, exist, and have been performed as so required by law.
16. The officers of the Issuer, Issuer's Counsel, Bond Counsel, other attorneys, and other agents or employees of the Issuer are hereby authorized to do all acts and things required of them by or in connection with this

resolution, the aforementioned documents, or the Obligations, for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Obligations, the aforementioned documents, and this resolution. If for any reason any of the Issuer Officials is unable to execute and deliver the documents referred to in this resolution, such documents may be executed by any member of the Board or any officer of the Issuer delegated the duties of such Issuer Official with the same force and effect as if such documents were executed and delivered by such Issuer Official.

17. The Borrower has agreed to pay the administrative fees of the Issuer when due in accordance with the terms of the Loan Agreement. The Borrower will also pay, or, upon demand, reimburse the Issuer for payment of, any and all costs incurred by the Issuer in connection with the Project and the issuance of the Obligations, whether or not the Obligations are issued, including any costs for reasonable attorneys' fees.
18. It is understood and agreed by the Borrower that the Borrower shall indemnify the Issuer and the County against all liabilities, losses, damages, costs, and expenses (including attorney's fees and expenses incurred by the Issuer) arising with respect to the Project and the Obligations, as provided for and agreed to by and between the Borrower and the Issuer in the Loan Agreement.
19. Except as otherwise provided in this resolution, all rights, powers, and privileges conferred and duties and liabilities imposed upon the Board or the Issuer by the provisions of this resolution or of the aforementioned documents shall be exercised or performed by the Issuer or by such members of the Board, or such officers, employees, or agents, or by such board, body, or agency thereof as may be required or authorized by law to exercise such powers and to perform such duties. No covenant, stipulation, obligation or agreement herein contained or contained in the aforementioned documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member of the Board, or any officer, agent, or employee of the Issuer in that person's individual capacity, and neither the Board nor any Issuer Officials executing the Obligations shall be personally liable on the Obligations or be subject to any personal liability or accountability by reason of the issuance thereof.
20. The provisions of this resolution hereby supplement the Preliminary Resolution and the Temporary Note Resolution.
21. This resolution shall be in full force and effect from and after its approval.

ADOPTED

Commissioner Peter McLaughlin moved to adopt the Resolution, seconded by Commissioner Debbie Goettel and approved - 7 Yeas

5. Adjournment

Commissioner Linda Higgins adjourned the Hennepin County Housing and Redevelopment Authority at 4:01 PM until Tuesday November 15, 2018.

Yolanda C Clark
Deputy Clerk to the Board

Contracting opportunities can be found on the Hennepin County website: www.hennepin.us

HENNEPIN COUNTY

MINNESOTA

Housing and Redevelopment Authority Board Action Request 18-HCHRA-0032

Item Description:

Establish a meeting of the Housing and Redevelopment Authority on Tuesday, December 11, 2018

Resolution:

BE IT RESOLVED, that a meeting of the Hennepin County Housing and Redevelopment Authority Board (HCHRA) be held on Tuesday, December 11, 2018, at 1:30 p.m., or as soon thereafter as practicable, in room A-2400 of the Hennepin County Government Center, in the city of Minneapolis.

Recommendation from County Administrator: Recommend Approval

HENNEPIN COUNTY

MINNESOTA

Housing and Redevelopment Authority Board Action Request 18-HCHRA-0033

Item Description:

Neg Amd 1 to Agmt A166355 with MN Housing for the Healthy Homes Assistance Project, extend contract period to 03/26/19, no change in recv of \$75,000

Resolution:

BE IT RESOLVED, that the Executive Director be authorized to negotiate Amendment 1 to Agreement A166355 with the Minnesota Housing Finance Agency to provide funding for the Healthy Homes Assistance project, extending the contract period from December 31, 2018 to March 26, 2019, with no change in the estimated receivable amount of \$75,000; that following review and approval by the County Attorney's Office, the Chair be authorized to sign the Amendment on behalf of the Authority; and that the Controller be authorized to accept and disburse funds as directed.

Background:

History: The Hennepin County Housing and Redevelopment Authority (HCHRA) accepted two awards from Minnesota Housing Finance Agency (Minnesota Housing) to maintain and increase the supply of safe, stable owner-occupied housing (Resolution 16-HCHRA-0042). To fully expend one of the awards, Minnesota Housing and the HCHRA wish to extend the contract period.

The Healthy Homes Assistance project was awarded \$75,000 to help address health and safety hazards in residents' homes. The award is being used to assist at least 13 homes address emergency health and safety repairs, hazards in manufactured homes, or repairs such as radon mitigation and fall prevention. Agreement A166355 is currently set to expire on December 31, 2018; Minnesota Housing has agreed to extend the term to March 26, 2019, to facilitate close-out and full usage of grant funds.

Current Request: This request seeks authorization to negotiate Amendment 1 to Agreement A166355 with the Minnesota Housing Finance Agency to provide funding for the Healthy Homes Assistance project, extending the contract period to March 26, 2019, with no change in the estimated receivable amount of \$75,000.

Impact/Outcomes: Approval of this amendment will allow for the full spending of a funding award from Minnesota Housing for 13 homes to be repaired.

Recommendation from County Administrator: Recommend Approval

ATTACHMENTS:

Description	Upload Date	Type
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HENNEPIN COUNTY

MINNESOTA

Housing and Redevelopment Authority Board Action Request 18-HCHRA-0034

Item Description:

Neg Agmt PR00000631 with City of Bloomington HRA to provide matching gap funding for construction of a new single-family home on a tax forfeit lot, 11/15/18- 12/31/19, NTE \$35,000

Resolution:

BE IT RESOLVED, that the Executive Director be authorized to negotiate Agreement PR00000631 with the City of Bloomington Housing and Redevelopment Authority to provide one-to-one matching gap funding for construction of a new single-family home on a tax forfeit lot located at 10508 Xerxes Avenue, Bloomington, during the period November 15, 2018 through December 31, 2019, with the not to exceed amount of \$35,000; that following review and approval by the County Attorney's Office, the Chair be authorized to sign the agreement and related documents on behalf of the Authority; and that the Controller be authorized to disburse funds as directed.

Background:

History: The 2017 Hennepin County Housing and Redevelopment Authority (HCHRA) budget included \$400,000 for a Tax Forfeit Reinvestment Initiative to foster the construction of new single-family homes on tax forfeit lots (Resolution 16-HCHRA-0047). The Tax Forfeit Reinvestment Initiative proposes to match HCHRA funds on a one-to-one basis to fill financing gaps of up to \$70,000 per unit for construction of new homes on tax forfeit vacant lots.

The HCHRA approved \$300,000 to support the construction of 10 affordable homes on tax forfeit lots in Minneapolis with the remaining \$100,000 held in reserve for suburban projects (Resolution 17-HCHRA-0010).

The City of Bloomington Housing and Redevelopment Authority (HRA) is in the process of acquiring a tax forfeit lot from Resident and Real Estate Services (RRES). The city intends to demolish the home and Habitat for Humanity will construct a new home affordable to households at or below 60 percent of area median income (AMI). The total development cost of the home is expected to be approximately \$325,000. Funding to support construction and affordability gaps on the project will come from the HCHRA, the City of Bloomington HRA, and Habitat for Humanity.

The Bloomington HRA will match the HCHRA investment of \$35,000.

Current Request: This request is to negotiate Agreement PR00000631 with the City of Bloomington HRA to provide one-to-one matching gap funding for construction of a new single-family home on a tax forfeit lot located at 10508 Xerxes Avenue, during the period of November 15, 2018 through December 31, 2019, with the not to exceed amount of \$35,000.

Impact/Outcomes: Agreement PR00000631 will reduce the inventory of RRES tax forfeit lots, allow for the construction of an affordable single-family home, and increase the tax base.

This request aligns with Hennepin County disparity reduction efforts by increasing the supply of extremely affordable housing.

Recommendation from County Administrator: Recommend Approval

ATTACHMENTS:

Description	Upload Date	Type
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HENNEPIN COUNTY

MINNESOTA

Housing and Redevelopment Authority Board Action Request 18-HCHRA-0035

Item Description:

Authorization to acquire 2947 Thomas Ave N in Mpls, NTE \$145,000; establish a public hearing on 12/6/18 on the proposed sale of 2947 Thomas Ave N to City of Lakes Community Land Trust

Resolution:

BE IT RESOLVED, that the acquisition of 2947 Thomas Avenue North in the City of Minneapolis, (PID 08-029-24-42-0005), legally described as Lot 4, Block 3, Gardner's Addition to Minneapolis, (Torrens property, Certificate of Title No. 1424963) by the Hennepin County Housing and Redevelopment Authority from the Hennepin County Resident and Real Estate Services Department, during the period November 15, 2018 through December 31, 2018, in consideration of a total amount not to exceed \$145,000, be authorized; that the Chair and the Executive Director be authorized to execute all related conveyance documents on terms they deem appropriate and meeting the public purpose of increasing the supply of affordable housing on behalf of the Authority; and that the Controller be authorized to accept and disburse any funds as directed pursuant to the conveyance; and

BE IT FURTHER RESOLVED, that a public hearing to obtain public comment on the proposed sale of 2947 Thomas Avenue North, Minneapolis, to the City of Lakes Community Land Trust be held before the Hennepin County Housing and Redevelopment Authority on Thursday, December 6, 2018 at 1:30 p.m., or as soon thereafter as practicable, in Room A-2400 of the Hennepin County Government Center, Minneapolis and that the Clerk of the Board shall publish notice of the hearing, in substantially the form attached hereto as Exhibit A in Finance and Commerce, the official newspaper of Hennepin County at least once, 15 days prior to the date of the public hearing.

Background:

History: In collaboration with Purchasing and Contracted Services and the County Attorney's Office, Resident and Real Estate Services (RRES) created the Small Business Enterprise (SBE) Home Rehabilitation pilot program in 2016. The SBE Home Rehabilitation pilot program goals were: 1) to successfully rehabilitate a feasible number of tax-forfeit homes annually; 2) to partner with local contractors to provide business development and job opportunities for emerging small business firms and Hennepin County residents; and 3) to create housing opportunities for new homeowners and responsible property owners.

RRES has completed five of the nine homes in the first phase of the SBE Home Rehabilitation pilot program, with the remaining four homes pending completion in the fall of 2018. If approved, this will be the second home sold. After meeting with neighborhood and community organizations, RRES staff recommends the completed home at 2947 Thomas Avenue North be sold for affordable housing.

Construction on 2947 Thomas Avenue North is complete and RRES has requested the Hennepin County Housing and Redevelopment Authority (HCHRA) facilitate a sale to the City of Lakes Community Land Trust (CLCLT) for resale to an income-qualified buyer before the end of the year. CLCLT provides homeownership opportunities in Minneapolis for individuals and families with incomes at or below 80 percent of area median income.

RRES worked with Minneapolis Regulatory Services to obtain the abatement of all pre- and post-forfeiture

special assessments, except for \$503.99 in delinquent utilities and snow and ice removal costs. The HCHRA will acquire the property for \$145,000 including special assessments after forfeiture and other closing costs.

After the public hearing on December 6, 2018, the HCHRA Board will consider sale of the property at 2947 Thomas Avenue North, Minneapolis on December 11, 2018.

Current Request: Approve acquisition of tax forfeit property at 2947 Thomas Avenue North in the City of Minneapolis from Resident Real Estate Services with a not to exceed amount of \$145,000 and establish a public hearing on Thursday, December 6, 2018 for public comment on the proposed conveyance of 2947 Thomas Avenue North to the City of Lakes Community Land Trust.

Impact/Outcomes: The conveyance of this property to the City of Lakes Community Land Trust will reduce RRES tax forfeit inventory, return a vacant property to the tax base, and provide a new affordable housing opportunity.

This request aligns with Hennepin County disparity reduction efforts by increasing the supply of extremely affordable housing.

Recommendation from County Administrator: Recommend Approval

ATTACHMENTS:

Description	Upload Date	Type
Notice of Public Hearing on December 6, 2018	11/5/2018	Backup Material

NOTICE OF PUBLIC HEARING

HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

The Hennepin County Housing and Redevelopment Authority (HCHRA) has established a public hearing on **Thursday, December 6, 2018 at 1:30 p.m.**, immediately following the Board of Hennepin County Commissioners Committee meeting, at the Hennepin County Government Center, 300 Sixth Street, Minneapolis, MN 55487, in the Hennepin County Board Room (A- 2400).

The hearing will be for public comment on the proposed sale of 2947 Thomas Avenue North (PID: 08-029-24-42-0005) in the City of Minneapolis to City of Lakes Community Land Trust, or affiliated entity.

If you need help to make it possible for you to be active in this event (such as sign language, interpreter or assisted hearing equipment), this help can be provided if you ask. To ask for help, please call 612-348-9260 (voice) at least three days prior to the event.

HENNEPIN COUNTY

MINNESOTA

Housing and Redevelopment Authority Board Action Request 18-HCHRA-0036

Item Description:

Neg Amd 5 to Agmt A111093 with Lyndale Gardens, LLC, to modify loan terms, extend contract period to 12/31/23; Neg Amd 1 to Agmt A165446 with City of Mpls, extend contract period to 12/31/19

Resolution:

BE IT RESOLVED, that the Executive Director be authorized to negotiate Amendment 5 to Agreement A111093 with Lyndale Gardens, LLC for the Lyndale Garden Center project, extending the contract period from December 31, 2018 to December 31, 2023, reducing the outstanding loan principal from \$850,000 to \$500,000, and modifying repayment terms accordingly; that following review and approval by the County Attorney's Office, the Chair be authorized to sign the amendment and related documents on behalf of the Authority; and that the Controller be authorized to accept and disburse funds as directed; and

BE IT FURTHER RESOLVED, that the Executive Director be authorized to negotiate Amendment 1 to Agreement A165446 with the City of Minneapolis for the Green Fourth Street project, extending the contract period from December 31, 2018 to December 31, 2019 with no change in the not to exceed amount of \$485,000; that following review and approval by the County Attorney's Office, the Chair be authorized to sign the amendment and related documents on behalf of the Authority; and that the Controller be authorized to accept and disburse funds as directed; and

Background:

History: In 2011, Lyndale Gardens, LLC, an entity affiliated with The Cornerstone Group, received an \$850,000 Transit Oriented Development (TOD) Program loan to assist in the acquisition of the Lyndale Garden Center property located at Lyndale Avenue South and 64th Street West in the City of Richfield for a new mixed-use, mixed-income redevelopment project (Resolution 11-HCHRA-0027S1). The property was acquired in 2011, and redevelopment activities have so far resulted in environmental cleanup; public realm improvements, including an amphitheater, shoreline improvements to Richfield Lake, and new pedestrian and bicycle connections; and a 20,000 square foot cooperative grocery store that employs over 100 people.

Prior loan amendments have been administrative in nature, modifying payment schedules and updating project descriptions within the parameters of the original agreement.

Interest-only payments received, to-date, total approximately \$165,000. However, due to increased costs of the public realm improvements the remaining phases of development can no longer support full repayment of the outstanding principal amount.

The proposed loan modification would offset the additional public realm investment and enable development of a 30-unit townhome/condominium project, a 74-unit apartment complex with 10 percent of the units affordable to households at 60 percent of area median income, and approximately 6,400 square feet of commercial space to move forward starting as early as this fall. The proposed loan modifications are contingent upon concurrence of terms with other project funders, including Twin Cities Local Initiatives Support Corporation and the Greater Metropolitan Housing Corporation.

Agreement A165446 with City of Minneapolis implemented a \$485,000 2016 TOD program grant for the Green Fourth Street infrastructure project in the Green Line Prospect Park station area. To date, the project has incurred \$175,000 of eligible grant expenses, including stormwater improvements and power line burial. Development activity in the area is strong with over 1,000 housing units, including approximately 129 affordable and 283 senior housing units, commercial space and community gardens at various stages of completion. Construction activity in the area has delayed construction of the street and its enhancements. The proposed grant extension would extend the timeframe for project completion to December 31, 2019.

Current Request: This request seeks authorization to negotiate Amendment 5 to Agreement A111093 with Lyndale Gardens, LLC, extending the contract termination date to December 31, 2023, reducing the outstanding loan amount from \$850,000 to \$500,000, and modifying repayment terms accordingly; and Amendment 1 to Agreement A165446 with the City of Minneapolis, extending the contract termination date to December 31, 2019 with no change in the not to exceed amount of \$485,000.

Impact/Outcomes: The next phases of development with the Lyndale Gardens project will enhance the tax base; create 30 units of ownership housing and approximately 74 units of rental housing, 10 percent of which will be affordable to incomes at or below 60 percent area median income; and enable development of over 6,000 square feet of commercial space. The Green Fourth Street project will complete public infrastructure improvements in coordination with multiple development projects that will create over 1,000 units of housing, at least 10 percent of which will be affordable to incomes at or below 60 percent area median income.

ATTACHMENTS:

Description	Upload Date	Type
A165446	10/31/2018	Budget - Contract Amd form
A111093	11/9/2018	Backup Material

HENNEPIN COUNTY

MINNESOTA

Contract Amendment Details

Account coding provides clear direction to accounting staff as to which specific sources of revenues or expenditure accounts are to be modified by a board action request (BAR).

Amendment Number* _____

Contract Number* _____

Contractor/Supplier* _____

Supplier ID _____

Begin Date* _____ Original End Date* _____

Amended End date* _____

Fund* _____

Account* _____

DeptID* _____

Project Number _____

Expenditure

Receivables

Amendment Amount* _____

Amended Not to Exceed* _____

Funding Source _____

Funds Included in Budget

Yes

No

*** Mandatory fields: Amendment Number, Contract Number, Contractor/Supplier, all date fields, Fund, Account, Dept ID, Amendment Amount, and Amended Not to Exceed**



HENNEPIN COUNTY

MINNESOTA

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Account* _____

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Receivables

Amendment Amount* _____

Amended Not to Exceed* _____

Funding Source _____

Funds Included in Budget

Yes

No

*** Mandatory fields: Amendment Number, Contract Number, Contractor/Supplier, all date fields, Fund, Account, Dept ID, Amendment Amount, and Amended Not to Exceed**



NOTICE OF PUBLIC HEARING

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