

MOUND HOUSING AND REDEVELOPMENT AUTHORITY

April 12, 2016

The Mound Housing and Redevelopment Authority in and for the City of Mound, Minnesota, met in regular session on Tuesday, April 12, 2016, at 6:30 p.m. in the council chambers of the Centennial Building.

Members present: Chair Mark Wegscheid, Ray Salazar, Kelli Gillispie, Heidi Gesch, and Jennifer Peterson

Members absent: None

Others present: City Manager and Public Works Director Eric Hoversten, Finance Director Catherine Pausche, James Lehnhoff, Blake Hopkins, Aubrey Gould, Larry Prinds

Public Present: John Mott, Earl Zent

1. **Open meeting**

Chair Mark Wegscheid called the meeting to order at 6:30 p.m.

2. **Approve agenda**

Chair Wegscheid noted page 24 under Agenda Item 5 is actually the resolution for agenda item number 6 and should be moved to page 32A .

MOTION by Salazar, seconded by Gesch, to approve the agenda with amendments.
All voted in favor. Motion carried.

3. **Approve minutes**

MOTION by Salazar, seconded by Gesch, to approve the minutes of the March 22, 2016 regular meeting. The following voted in favor: Wegscheid, Gillispie, Gesch, Salazar. The following voted against: None. The following abstained: Peterson. Motion carried.

4. **Approve claims**

MOTION by Salazar, seconded by Gesch, to approve the claims in the amount of \$18,754.30.
All voted in favor. Motion carried.

5. **Blake Hopkins, Senior Project Manager, and Aubrie Gold, Project Manager, of Aeon presenting an update on the Indian Knoll Manor RAD conversion**

James Lehnhoff introduced Aeon, an organization which started 30 years ago in downtown Minneapolis when the new convention center was displacing 350 units of affordable housing. Lehnhoff stated the board at the time committed to doing affordable housing better than it had been done before and focused on finding ways to preserve it. Lehnhoff said preserving is more affordable than new construction, and Aeon recently completed a 10 building renovation of 542 apartments, emphasizing Aeon always makes decisions based on the long-term. Aeon, formally Central Community Housing Trust (CCHT), is the Latin form of eon, meaning forever. Lehnhoff noted the timing of the Mound HRA's developer partner selection process and submission of the funding applications in 60 days was unprecedented and emphasized that virtually all of the funding applications were approved within a year. Lenhoff invited commissioners for a site visit to one of the other Aeon properties and showed before and after pictures of Pine Cliff in Roseville.

Aubrie Gould went over the scope of work and noted structural limitations only allowed for 6 units to be added to the existing building, 2 one bedrooms and 4 two bedrooms. Gould said 10 three bedroom townhomes was made possible due to the acquisition of the adjacent property at 5524 Spruce. Gould reviewed the list of \$9.6M in funding commitments and noted income eligibility limits of 30% Area Media

Income (AMI), which equates to \$18,000 to \$26,000, and 60% AMI, which equates to \$46,800 to \$52,000.

Lehnhoff emphasized that the goal is not to displace anyone and that all current residents met the income requirements. In addition, Lehnhoff noted the original goals stated in the Request for Proposal:

- 1) Maintain property as a strong and vibrant affordable housing community
- 2) Protect existing rental price calculations
- 3) Demonstrate equivalent of the market price will be reinvested in property (\$2.5M)
- 4) Maintain priority for Mound residents, subject to fair housing requirements, by marketing to local community

Board chair Wegscheid commends everyone involved in the process and noted the accomplishments in such a short amount of time is wonderful. Wegscheid echoed the goal of the long term commitment.

Blake Hopkins said the success in funding speaks to the location and desirability. Peterson asked about feedback from residents. Lehnhoff said he attended all the meetings and it is common to hear will I lose my home, will my rent go up, will I have to move, will there be noise and dust, etc?

Lehnhoff said Frerichs Construction is the local expert in occupied rehabs and noted that 90% of the Robbinsdale took place in occupied rehab, the 10% was due to lead abatement which is not an issue at IKM. Lehnhoff noted accommodations will be made when necessary and Aeon tries to be honest about what will occur because construction is noisy and messy at times.

6. Blake Hopkins, Senior Project Manager, and Aubrie Gold, Project Manager, of Aeon requestion action on a resolution authorizing the Board Chair and Executive Director to enter into an Environmental Response Fund (ERF) Grant Agreement Between the City of Mound Housing and Redevelopment Authority and Hennepin County Environment and Energy Department

Hopkins emphasized the \$392K is grant funds and not a loan for environmental remediation.

Wegscheid emphasized this entire project is cost neutral for the HRA/City.

MOTION by Salazar, seconded by Gesch, to approve the resolution. All voted in favor.
Motion carried.

RESOLUTION NO. 16-04H: RESOLUTION AUTHORIZING THE BOARD CHAIR AND EXECUTIVE DIRECTOR TO ENTER INTO AN ENVIRONMENTAL RESPONSE FUND (ERF) GRANT AGREEMENT BETWEEN THE CITY OF MOUND HOUSING AND REDEVELOPMENT AUTHORITY AND HENNEPIN COUNTY ENVIRONMENT AND ENERGY DEPARTMENT

7. Adjourn

MOTION by Gesch, seconded by Salazar, to adjourn at 6:57 p.m. All voted in favor.
Motion carried.

Chair Mark Wegscheid

Attest: Catherine Pausche, Clerk