

**MOUND HOUSING AND REDEVELOPMENT AUTHORITY
MAY 28, 2013**

The Mound Housing and Redevelopment Authority in and for the City of Mound, Minnesota, met in regular session on Tuesday, May 28, 2013, at 6:30 p.m. in the council chambers of City Hall.

Members present: Chair Mark Hanus; Commissioners Kelli Gillispie, Heidi Gesch, Ray Salazar and Mark Wegscheid
Members absent: None.

Others present: Executive Director Kandis Hanson, Fin Dir/Clerk/Treasurer Catherine Pausche, Community Development Director Sarah Smith, City Attorney Sarah Sonsalla, Jamie Thelen, Pamela Myers.

1. Open meeting

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

2. Approve agenda

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

3. Approve minutes

MOTION by Salazar, seconded by Gesch, to approve the minutes of the May 14, 2013 regular meeting. All voted in favor. Motion carried.

4. Approve claims

MOTION by Salazar, seconded by Gesch to approve the claims in the amount of \$3,559.74. All voted in favor. Motion carried.

5. Discussion on preliminary concept plan from Sand Companies for proposed redevelopment of 1861 Commerce Boulevard

Jamie Thelen, CEO of Sand Companies, Inc. gave background on Sand Companies, which has been in the hotel and residential property management business for 20 years which includes over 70 construction projects, 31 residential properties managed, and 22 limited service hotels managed (Country Inn and Suites franchisee). Specialize in service with live-on-site caretakers and on-site property managers.

Application for MHFA financing is due 6/18/13. In 2012, MHFA received 61 applications and 9 projects financed, so it is highly competitive. MHFA is looking for local participation to match with local dollars. The proposed project would have income based rent and applicants must make 60% of area medium income or less. Construction is planned for spring of 2014 with completion approximately one year later.

Chair Hanus asked if the entire site is buildable and what the company plans to do in the way of clean-up. Thelen said further due diligence is necessary, but clean up is anticipated.

Hanus asked what assistance the City of Plymouth provided. Thelen stated Plymouth provided \$600K in TIF, waived some fees, and provided six (6) project based Section 8 vouchers.

Hanus said it would be difficult to make a decision based on the limited information provided. Hanus said much of the downtown is TIF and he does not feel there is public support for TIF to

fund housing. He also mentioned the council just decided not to waive fees for another housing development. Hanus stated he also does not support spot zoning if that is required.

Salazar asked that besides furthering the affordable housing goals set by Met Council, what is the upside for the City. Hanus stated it depends on the level of City assistance. Salazar stated he is opposed to waiving fees and it is just a cost of doing business.

Gillispie asked why Sand Companies chose work-force housing for the site. Thelen said there is a priority for funding for projects with properties in foreclosure. Thelen stated it is guided for medium density and will meet a need in the community. Local funding would give way to other sources of funding.

Hanus said the question of upside is relevant and whether there is justification for tax payer support. Thelen said most cities are trying to meet affordable housing goals. Hanus asked if he looked at vacancy rates of affordable housing in Mound. Hanus said Mound has high vacancy rates and that the City can't afford to risk further capacity. Thelen talked about how the quality of existing units may be impacting vacancy rates.

Hanus says it appears the board is not ready to write a letter of support for MHFA financing and no action was taken.

6. Adjourn

MOTION by Salazar, seconded by Gillispie to adjourn at 7:02 p.m. All voted in favor. Motion carried.

Chair Mark Hanus

Attest: Catherine Pausche, Clerk