

MOUND HOUSING AND REDEVELOPMENT AUTHORITY

June 9, 2015

The Mound Housing and Redevelopment Authority in and for the City of Mound, Minnesota, met in regular session on Tuesday, June 9, 2015, at 6:40 p.m. in the council chambers of the Centennial Building.

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

Members absent: None

Others present: City Manager Kandis Hanson, Director of Finance/Clerk/Treasurer Catherine Pausche, Community Development Director Sarah Smith, Director of Public Works Eric Hoversten, City Engineer of Bolton & Menk Dan Faulkner, Building Official Scott Qualle

Public Present: Katie Morford, David Umbehoeker, Jackie Piepcorn, Brooks Chandler

1. Open meeting

Chair Mark Wegscheid called the meeting to order at 6:45 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 26, 2015 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 \$8,724.75. All voted in favor. Motion carried.

Commissioner Gillispie arrived at 6:50 p.m.

5. Catherine Pausche, Director of Finance and Administration, requesting action on a Resolution Approving a Purchase Agreement Between the Mound Housing and Redevelopment Authority and Aeon

Pausche gave background on Indian Knoll Manor (IKM) . Pausche explained that the City has received approval from HUD to convert the building from HRA ownership to a worthy non-profit. A request for interest and qualifications issued in March resulted in the non-profit company Aeon being selected to partner with the HRA. Aeon specializes in affordable housing ownership and management and rehabilitation of existing properties.

Aeon conducted a physical conditions needs assessment of the building which was completed on May 18 and May 19. The advisory commission appointed by the HRA Board met with representatives from Aeon on May 28th to discuss possible scenarios for IKM. Pausche passed around before and after pictures of another property Aeon had rehabilitated.

Aeon will be applying for multiple sources of funding to assist with the rehabilitation of IKM. Pausche stated a purchase agreement between the HRA and Aeon is necessary to show the funders a firm, legal commitment exists between the two parties. Pausche said the purchase agreement was reviewed and amended by City staff and attorneys. Aeon will need to expand the number of units from the current 50 to 66 (maximum) in order to be eligible for alternative funding. The additional units will be three-bedroom units and are considered workforce housing, which will be a valuable addition to Mound. Aeon needed to submit preliminary plans for the expansion to receive the funds. These plans will be reviewed and approved by the HRA Board as the project moves forward.

Manderscheid reiterated the restrictions the HRA has imposed on Aeon, including the existing units must remain affordable, Aeon will reinvestment the Fair Market Value (FMV) back into the property, and there will be a local resident preference to the extent possible, which is meant to serve Mound residents. Financing of the project will be worked on going forward.

Chair Wegscheid commended staff on recognizing the opportunity to turn over the ownership to Aeon and noted Aeon has been strongly recommended by the other Minnesota cities that they have had projects in. Salazar praised the business practices of Aeon and stated Aeon was a first class operation.

MOTION by Salazar, seconded by Peterson, to approve the purchase agreement between the Mound Housing and Redevelopment Authority and Aeon, to include the amendments made to pages 13, 26 and 27. All voted in favor. Motion carried.

5. Adjourn

MOTION by Gesch, seconded by Salazar, to adjourn at 6:59 p.m. All voted in favor. Motion carried.

Chair Mark Wegscheid

Attest: Catherine Pausche, Clerk