

**MINUTES
OF THE JOINT MEETING OF THE
EDINA HOUSING AND REDEVELOPMENT AUTHORITY
AND THE EDINA CITY COUNCIL
HELD AT CITY HALL
JULY 16, 2002
7:00 P.M.**

ROLLCALL Answering rollcall were Commissioners Housh, Hovland, Masica and Chair Maetzold.

CONSENT AGENDA APPROVED Motion made by Commissioner Hovland and seconded by Commissioner Housh approving the Edina Housing and Redevelopment Authority Consent Agenda as presented.

Rollcall:

Ayes: Housh, Hovland, Masica, Maetzold

Motion carried.

***MINUTES OF THE REGULAR MEETING OF JULY 2, 2002, APPROVED** Motion made by Commissioner Hovland and seconded by Commissioner Housh approving the Minutes of the Regular Meeting of July 2, 2002.

Motion carried on rollcall vote – four ayes.

***CONFIRMATION OF CLAIMS PAID** Motion made by Commissioner Hovland and seconded by Commissioner Housh approving payment of claims dated July 3, 2002, consisting of one page totaling \$12,455.00.

Motion carried on rollcall vote – four ayes.

RELEASE OF DEED RESTRICTIONS FOR OAK GLEN TOWNHOUSES APPROVED Planner Larsen explained the subject property was located near 70th Street, west of Cahill Road and North of Dewey Hill. The Section 8 contract for Oak Glen Townhouses expired in 2001. The owner, Minnesota Housing Finance Agency (MHFA) has negotiated an extension of the contract. An agreement has been reached with the owner agreeing to invest approximately one million dollars for repair, maintenance and improvements. They have requested \$500,000.00 from the East Edina Housing Foundation (EEHF) to assist with this effort.

The EEHF met on June 25, 2002, to consider the request and agreed to extend the following offer of assistance:

- \$175,812 as a grant to cover lost rents during the rehabilitation period
- \$324,188 as a loan bearing simple interest of three percent. The loan would become a grant if the owner extended the contract beyond ten years.

- The Foundation agreed to recommend the City Council and the HRA release Deed Restrictions imposed on the property as part of the initial contract.

The owner has agreed to the proposed terms.

Mr. Larsen explained that most of the Deed Restrictions imposed on Oak Glen deal with MHFA and HUD requirements. The City granted variances for the development that were also recorded in the Deed Restrictions. Variances were for, 1) the number of garage stalls, 2) allowing construction with a single wall and not a double wall between units, and 3) exemption from individual utility connections for each unit. The owner has requested release of the Deed Restrictions.

Mr. Larsen concluded the EEHF and City staff recommend the Council release the restrictions. There was no demonstrated need to cure the variances. Parking on site has not been an issue. If the project were to go market rate in the future, it would be determined if these items were an issue that would impede the sale/rental of units. It would be the owner's obligation to correct any deficiencies.

Council comment:

Member/Commissioner Masica inquired the breakdown of the sixty-four units. Mr. Larsen said there were thirty-eight market rate units and twenty-six assisted. Ms. Masica asked where the grants/loans would be used. Mr. Larsen stated they would be used throughout the entire project. Ms. Masica asked what the plan was for any displaced tenants. Mr. Larsen explained the rehabilitation period would be extended so no one would be displaced. Ms. Masica inquired whether there was a disproportionate number of police calls to Oak Glen. Chief Siitari said no, Oak Glen does not generate more calls than any other location.

Member/Commissioner Hovland asked if contributions have been solicited from the Metropolitan Council. Mr. Larsen said there did not seem to be an availability of funds and the timing was not right. Mr. Hovland asked if the money would be used on all the units. Mr. Larsen said the rehabilitation will take place on the entire property. Mr. Hovland voiced concern that the \$324,188 loan would become a grant if the contract were extended beyond 10 years. He would prefer a term beyond an extension would be reached during which the conversion would take place. Mr. Larsen stated the owner had requested the entire \$500,000.00 be a grant. He added the extensions would be in five-year increments. Mr. Hovland suggested with no agreement in place formally, conditionally releasing the deed restrictions, based upon the execution of an agreement satisfactory to the City of Edina. Mr. Gilligan concurred. Mr. Hovland asked if window repair was included in the scope of work. Mr. Larsen said not at the present time, but MHFA has yet to agree on repairs that are necessary and make them.

Member/Commissioner Housh commended Mr. Larsen for his diligent work in keeping this type of housing in Edina, as well as the EEHF.

No further comments were heard.

Member/Commissioner Masica made a motion to release the deed restrictions in the deed for the HRA to the developer and to release the City variance approvals previously given conditioned upon the closing with the Minnesota Housing Finance Agency (MHFA).

Member/Commissioner Housh seconded the motion

Rollcall:

Ayes: Housh, Hovland, Masica, Maetzold

Motion carried.

There being no further business on the Edina Housing and Redevelopment Authority Agenda, Chair Maetzold declared the meeting adjourned.

Executive Director