



Legislation Text

File #: Min 14-28, **Version:** 1

Approval of the June 11, 2014 HRA Meeting Minutes.

ROLL CALL

Present: Commissioner Bostrom, Brendmoen, Lantry, Stark, Thao, Thune, Tolbert

CONSENT

1. Approval of the May 28, 2014 HRA Meeting Minutes.

Commissioner Lantry moved approval. The HRA meeting minutes were approved.

VOTE: Yeas - 7 Nays - 0

DISCUSSION

2. Resolution Approving Maximum Fee Guidelines for Multi-Unit Rental Housing Projects Using Tax Credit Financing, Citywide.

Ms. Kit Hadley, Interim Executive Director for the HRA, stated this is to propose a change to the HRA policy for multi-family developers for projects of five or more units, using tax credit financing. The current policy was approved in 1999 and the problem with the policy now is based on a per unit maximum dollar amount based on the number of units or 10% of the total development costs, whichever is less and hasn't kept pace with the increase cost in construction. Equity investors are demanding certain developer fees because they see it as cost overrun contingency to pay for unforeseen expenses. The new policy will increase the amount of developer fee in many cases.

Chair Brendmoen asked if this was in conflict with the recently passed low income tax credit scorecard. Ms. Hadley confirmed it is not.

Commissioner Lantry moved approval. Approved as set forth in RES 14-1038.

VOTE: Yeas - 7 Nays - 0

3. Resolution Approving and Authorizing the Execution of a TIF Development Agreement for the Hamline Station East Housing Project, District 11, Ward 4.

Ms. Hadley stated the project has two pieces, the East and West. The East project is four stories with 51 housing units. The West involves commercial and retail on the first floor and 57 housing units above. This is for the approval for the tax increment developer agreement and a request for a waiver on the fees.

Chair Brendmoen asked if a waiver was needed. Ms. Hadley stated the developer fee is below what the new policy would be and suggested the board to approve the specific fee.

Commissioner Stark moved approval. Approved as set forth in RES 14-1043.

VOTE: Yeas - 7 Nays - 0

4. Resolution Approving the Issuance and Sale of a Conduit Multifamily Housing Revenue Note, Series 2014 (Hamline Station West Project); Authorizing the Execution of Documents Relating Thereto; Authorizing Additional HOME Loan Funds for the Project and the Execution of Amended Documents Relating Thereto; and Authorizing the Execution of a TIF Development Agreement for the Hamline Station West Housing Project, District 11, Ward 4.

Ms. Hadley stated this West project has commercial and retail on the first floor and 57 housing units above. The four actions being requested are the approval of the TIF development agreement, an increase in the HOME loan approved last year, approving housing revenue conduit bonds, and a developer fee waiver. The developer would have been over \$1.7 million and the proposal is for \$1.625 million.

Chair Brendmoen stated most projects incur unexpected costs and that they should be recognized.

Commissioner Stark said the bids came in about \$2 million higher than projected. Mr. Chris Huntley with Project for Pride in Living stated the costs are about 10% higher than anticipated and made changes to reduce costs but are still over budget.

Commissioner Stark moved approval. Approved as set forth in RES 14-1044.

VOTE: Yeas - 7 Nays - 0

ADJOURNMENT

Commissioner Thune moved adjournment. The HRA meeting was adjourned.