

HOUSING AND REDEVELOPMENT AUTHORITY

Meeting Agenda

Wayzata City Hall Community Room, 600 Rice Street
Tuesday, July 13, 2021
7:30 AM

Due to expiration of the State of Emergency on July 1 by Gov. Tim Walz, the city is now complying with the Open Meeting Law in which in-person public meetings will resume. This means the public is invited back to City Hall, if they feel comfortable doing so, to attend and/or give public comment.

1. **Call to Order**
2. **Roll Call**
3. **Approval of Agenda**
4. **Approval of Minutes**
 - a. Consider Approval of HRA Minutes of April 1, 2021 Meeting
5. **Old Business**
6. **New Business**
 - a. Consider Receipt of 2020 HRA Financial Report
 - b. Consider Amendments to HRA Bylaws
 - c. Housing Action Plan Discussion
 - d. Development Update
7. **Next Meeting Date: TBD**
8. **Adjournment**



City of Wayzata Housing and Redevelopment Authority Agenda Report

MEETING DATE: July 13, 2021	AGENDA ITEM: 4.a
TITLE: Consider Approval of HRA Minutes of April 1, 2021 Meeting	
PROPOSED MOTION: To Approve the Regular Meeting Minutes of the April 1, 2021 Meeting	
PREPARED BY: Kathy Leervig, City Clerk	
REVIEWED BY: Jeff Dahl, Executive Director	

ACTION REQUESTED:

Staff recommends approval of the attached minutes.

FINANCIAL OR BUDGET CONSIDERATION:

N/A

BACKGROUND:

N/A

ATTACHMENTS:

1. April 1, 2021 Minutes (Draft)

CALL TO ORDER

Chair Shaver called the meeting of the HRA to order at 7:30 a.m.

Chair Shaver read a prepared statement:

Pursuant to Minnesota Statute Sec. 13D.015 and because of the COVID19 Pandemic, this Housing & Redevelopment Authority Meeting is being held remotely by electronic means using the audio and video conferencing platform, Zoom. Members of the public may submit comments or questions about items on the agenda in advance by emailing PublicComment@wayzata.org, calling City staff at 952-404-5300, or mailing comments to Wayzata City Hall at 600 Rice St. E., Wayzata, MN 55391 (Attn: Public Comments). To speak regarding a particular agenda item during the meeting, you may call 312-626-6799, enter Zoom Meeting ID 937 2568 4015, Passcode 575685, and press *9 to speak. You will be placed on hold and muted until you have been recognized and invited to speak.

PLEDGE OF ALLEGIANCE

ROLL CALL

Members Present: Commissioners Bob Ambrose, Terri Huml, Roger Wothe, Steve Fox, and Thomas Shaver

Members Absent: None

City Staff present: Executive Director Jeff Dahl, Community Development Director Emily Goellner, Assistant Planner Nick Kieser, and City Clerk Kathy Leervig.

APPROVAL OF AGENDA

Commissioner Wothe made a motion, seconded by Commissioner Huml, to approve the April 1, 2021 agenda as presented. Upon roll call vote, the motion carried 5/0.

APPROVAL OF MINUTES

A. Consider Approval of HRA Minutes of September 24, 2020 Meeting

Commissioner Fox made a motion, seconded by Commissioner Ambrose, to approve the September 24, 2021 meeting minutes as presented. Upon roll call vote, the motion carried 5/0.

OLD BUSINESS

NEW BUSINESS

A. Consider Election of Officers

Chair Shaver explained that officers are elected annually and reviewed the slate of officers for 2020.

Commissioner Wothe stated that he would like to decline from serving as Vice-Chair in order to allow someone else that opportunity.

Commissioner Ambrose made a motion, seconded by Commissioner Wothe, to appoint Thomas Shaver to serve as Chair. Upon roll call vote, the motion carried 5/0.

Commissioner Fox made a motion, seconded by Commissioner Huml, to appoint Bob Ambrose to serve as Vice-Chair and Commissioner Terri Huml to serve as Secretary. Upon roll call vote, the motion carried 5/0.

B. Consider Appointment or Executive Director

Commissioner Shaver made a motion, seconded by Commissioner Wothe, to re-appoint Jeff Dahl as Executive Director. Upon roll call vote, the motion carried 5/0.

C. Consider Discussion and Amendments of Bylaws

Chair Shaver noted that at the 2020 Annual Meeting, the Commission discussed having a meeting with City Attorney Schelzel and Commissioners Fox and Huml to review the bylaws and make suggested amendments. He asked if Commissioners Fox and Huml would be willing to do that and report back to the full Commission.

Executive Director Dahl apologized and explained that he had dropped the ball and neglected to coordinate that meeting but noted that he is still willing to coordinate it if the Commission would like.

There was a consensus of the Commission to direct staff to schedule a meeting between City Attorney Schelzel and Commissioners Fox and Huml to discuss possible amendments to the bylaws.

D. Update of Panoway on Wayzata Bay

Community Development Director Goellner gave a presentation that updated the Commission on the Panoway project and noted that it has been in the works for at least 10 years. She noted that this project has had a lot of community meetings that worked on the concept and design. She stated that the area got some use at the end of the summer of 2020 and they expect this coming summer to be even busier. They have discussed the possibility of starting some sort of Downtown Committee that will help to understand all the different issues that come up when there are a lot of visitors to a special place. She showed photos of the completed project and the cost estimates for the future components: Depot Park – estimated at \$2,790,000; Community Docks – estimated at \$750,000; Boardwalk – estimated at \$6,030,000 and also includes lakeshore restoration; Shoreline Restoration; Section Foreman House – estimated at \$1,120,000; and Eco Park – estimated at \$2,430,000 which also includes the boardwalk loop. She stated that staff has reviewed the design, cost, timeline, funding, and

community input and presented this information to the City Council on February 2, 2021. She stated that staff presented a pie chart that showed the breakdown of costs and while the boardwalk and shoreline is the most expensive component to the project, staff feels that it is really the cornerstone of the next phases. She explained that the City already has specific bonding money, around \$4,000,000, committed to the boardwalk and shoreline restoration. She gave some details on how the bonding dollars will be reimbursed and what they can be used for. Staff is recommending that the efforts be focused on the boardwalk, shoreline restoration, the community docks, as well as the Section Foreman house and noted that the City Council had agreed with their recommendation. She stated that she expects the timeline for the Section Foreman house will be driven by private donations and noted that there is \$250,000 coming in very soon. She stated that they are also working on other things like getting it on the National Register of Historic Places. She noted that the City has applied for grants from the DNR, Hennepin County, and the Minnesota Historical Society. She stated that they are also looking into City Lakefront funds, TIF, as well as additional State bonding that may be available starting in 2022. The funding model for the project is 2/3 public and 1/3 private. She gave a brief overview of the many partnerships and benefits this project has brought to the community. She asked Executive Director Dahl to summarize the TIF bills that have been moving through the legislature.

Executive Director Dahl stated that he, Community Development Director Goellner, and the lobbyist that the City has hired have been working with our representatives in both the House and the Senate to provide more flexibility with TIF District 6. He stated that this is the most recent district on the west end of the City and all of the projects that the City had anticipated are under construction and projects such as Wayzata Blue and Meyer's Place did not use TIF so the City is able to capture the increment there to use for other eligible expenditures. The City has already sold a bond to help pay for the streets and utility expenses associated with Lake Street. He stated that the Commission has been provided updates on the public parking lot that will be constructed behind Wayzata Blue and Ventana. He stated that because the City Council has elected for a surface lot the City will have several million dollars of excess increment available. He noted that they are asking the legislature to clarify that the City can use those funds if the HRA and Council agree, for the boardwalk and the docks that are part of Phase II which would be about \$7,000,000 of increment funding. He stated that thus far, they have gotten very good reception in both the House and the Senate and are fairly confident with the way this will go if the HRA and the Council agree to it.

Chair Shaver asked if the idea was to use the remaining TIF in its entirety for the boardwalk project. Executive Director Dahl explained that when construction, design, maintenance and operations costs in addition to the community docks, the project cost goes from \$6,000,000 to \$10,000,000 and the City wants to make sure that it builds in all those costs so the community isn't feeling the tax burden of maintenance and operation. He stated that it is essentially a \$10,000,000 project cost and there is already \$4,000,000 earmarked for this purpose. The thought is that, in theory, TIF could be used to fill that gap.

Chair Shaver asked if the excess TIF increment needs to stay within the boundary area of District 6 or used elsewhere in the community. Executive Director Dahl stated that it

could be pooled elsewhere in the community, but the legislature that they are proposing would clarify that the increment could be used for a boardwalk and docks but also clarify that this is an in-district expense.

Commissioner Huml asked if there was a timeline for the remaining TIF and if the City had to spend it within a certain amount of time. Executive Director Dahl stated that there is a five-year rule that the projects must be completed within. He stated that he believes there are still a few years left on this project. He stated that because of the pandemic, he has heard that they are considering expanding the 5-year rule, but nonetheless, they believe they can meet the existing timeline.

Commissioner Huml asked about the parking ramp on Barry and Lake if there is an opportunity to put a deck on the lot should it be needed because of the other development that is going on in the area. Executive Director Dahl stated that it is a balance of priorities. He stated that the City may not need all of the TIF for the boardwalk so there will more than likely be dollars available for future parking improvements.

Commissioner Huml noted that there is a verbal update listed for a moratorium on development that is being considered and would like to know how this would affect the timeline for spending the TIF funds. Executive Director Dahl explained that should not affect it at all because they are not waiting for anymore development in terms of funding so it should not preclude any public infrastructure. Community Director Goellner stated that she did not see a direct correlation at this point, but agrees that the City should be mindful of this.

Commissioner Ambrose asked if the legislators support is partially because the City may avoid additional drains on a bonding proposal. He asked if those two issues were connected in their minds. Executive Director Dahl stated that he cannot speak for the legislators, but he thinks that because bonding is so unpredictable, this may be a safer bet. He stated that he thinks there is also the attraction of the City not asking for more money it is just keeping the money within the City.

Commissioner Fox stated that he thinks the Panoway project, to date, is an outstanding development for the City. He asked if the City has a messaging problem from some of the earlier discussions on the Panoway proposal that no tax dollars would be used for this development. He stated that he knows that there has been much parsing of what that language really meant, at the time, but he would say there is a widespread perception that tax dollars would not be driving this project, except for the infrastructure necessary for the utilities. Executive Director Dahl stated that he agrees that this thought is out there and is a consideration for what the City should be mindful of in their discussions. He stated that what was said, the specifics of it, as well as who said it matters and noted that also over that time period, elected leaders' changes including the vision for the community. He stated that regardless, if someone heard that in a public meeting, and it stuck with them, the City does need to be mindful of that and make sure that the messaging is appropriate and it would also behoove the City to make sure people know what is being done and support it. He stated that this may

provide the opportunity for some more engagement to make sure that staff, Council and the conservancy are reading the public the correct way.

Commissioner Fox stated that this really is a phenomenal development for the City and thinks the boardwalk component will be particularly special. He stated that he is an advocate for moving that project forward and would like to see it come to fruition.

Chair Shaver agreed with Commissioner Fox that messaging is critical and noted that he feels that there is a general misunderstanding of what TIF is because many people feel it is their tax dollars that are being used but the reality is that if they are not used, they are lost. He stated that part of the communication strategy for this is to ensure that there is a general understanding from the public on what TIF is and its use as a tool.

Commissioner Huml stated that in many of the original meetings, many years ago, the one question that kept coming up from the community was their concern about their property taxes increasing in order to cover this.

Commissioner Fox stated that the HRA is discussing this issue within the environment of a friendly audience and they need to be cognizant that there are some severe critics of this project within the community. He stated that their voices have gotten rather shrill at times and however the City tries to communicate what TIF really represents and where this money is coming from, the critics will definitely spin the information in a different way.

Executive Director Dahl stated that this conversation is helpful because this is a big project for a small town like Wayzata and this will help them prioritize this communication to the community through public engagement avenues.

Commissioner Huml stated that she gets to look at this project every day and has started calling it her living room window. She stated that she has found that even the biggest critics of the project have become believers. She stated that it is a wonderful project and it is exciting to see people of all ages using it starting early in the morning although the way through sunset.

Commissioner Ambrose stated that they have tested the project out with their 2-year-old grandson and he highly approves of the space to run and space to climb on things. He stated that they are looking forward to getting him onto the boardwalk. He stated that he shares Commissioner Huml's observation that it is being used by a wide range of people who are down there in Panoway and stated that he feels it has a wonderful vibe.

E. Update on Economic Development Projects

Community Development Director Goellner gave construction updates on the Pat Hughes building, Ventana, and 401 Lake Street. She stated that there are also a few proposals that have come into the City. Meridian Manor was sold and the new owner would like to continue using it as senior housing but tweak the site plan a bit and renovate the entire building. The abandoned gas station at 1022 Wayzata Boulevard was bought last year and they are looking at concepts for another boutique style or

high-end grocery store on the site mixed with the site to the east which is a dry-cleaning business. She stated that they are also talking to Wells Fargo about the possibility for a different, smaller building with potentially some housing on their site. She stated that the TCF site is still under a purchase agreement with Lake West Development and they are working on a new concept that would demolish the existing building.

Assistant Planner Kieser stated that the Barry Avenue condos also have a proposal that will be coming. He stated that the proposed development web page is up and whenever the City receives applications, many of those plans are put in that site.

Community Development Director showed the Commission how to navigate to the "Proposed Development Projects" page of the City website. She noted that they list all the projects, some of the pertinent details on the project as well as the rendering and the site plan.

Chair Shaver stated that he applauded staff for working on this type of informational page for the website so people in the community can get a quick update on what is going on within the City.

Executive Director Dahl stated that the City is seeing vacant spaces that by and large are vacant as a result of the pandemic being filled. He gave a few examples of who is filling the vacancies and shared staff's hope that this trend will continue. He asked Community Development Director Goellner to give some details on the development moratorium that the Planning Commission has requested.

Community Development Director Goellner explained that the Planning Commission had a workshop and noted that during her one-on-one meetings with them she had been hearing questions about what the City had approved in the 2040 Comprehensive Plan in terms of the types of maximum densities that will be allowed in the important corridors of the City. She stated that it was just a lot of questions about what that would really look like when translated into redevelopment projects and questions about whether the City's zoning regulations are up to date. She noted that the City has a Zoning Task Force that is currently working on an update to design standards. She stated that code updates take a long time because it is very detailed work and explained that the Planning Commission was feeling overwhelmed by the number of proposals coming in and their feeling that there is a lack of clarity around when and why projects would be approved up to 30 units/acre. The Comprehensive Plan says that the City "may" consider it but it doesn't really say when, why, or how that would happen. The other question raised by the Planning Commission is surrounding the vision for having a full range of housing choices for all types of people at different stages of life. She noted that the City has recently approved a lot of multi-family housing and the Planning Commission is wondering how the City would get affordable projects to happen in the City and what the role of zoning and the Planning Commission is in making that happen. She explained that between the design standards, the density zoning, and inclusionary housing, the Planning Commission felt that they needed a 'pause' button so they could get a clear understanding of the regulations, the vision, and the strategy before they review anymore proposals, particularly on Wayzata Boulevard and Lake Street. She stated that the Council and Planning Commission will discuss the possibility of a

moratorium and the pertinent details on April 5, 2021. She invited the HRA members to tune into the workshop meeting on Monday if they were interested.

Executive Director Goellner asked if the HRA had any strong opinions or comments, how those should be communicated to the Council and the Planning Commission. Community Development Director Goellner stated that the best way may be for the HRA members to call her and discuss it with her. She stated that she can take down their thoughts and their questions. She stated that the workshop meeting is only scheduled for an hour, but she could try to communicate their thoughts at the workshop. Executive Director Dahl suggested that the HRA members contact Community Development Director Goellner, attend the workshop meeting with the Council and Planning Commission and if there are strong feelings, perhaps hold a special meeting to make a formal recommendation. He stated that if they do not have strong feelings, the HRA can just observe the situation with the knowledge that staff will relay information to them.

Commissioner Fox asked if the City has a reputation as being a difficult community for development activity or if it is considered development friendly. Executive Director Dahl stated that he would say that the City is known as being open to development by other nearby cities, and in speaking with developers, he would say the feeling is that staff is super respectful but the community is very sensitive and picky about what it wants. He stated that he thinks this means that anyone coming into the City does not come in thinking that this will be a slam dunk because what is ultimately built is very important to the community and the City pays very close attention to incoming projects. Community Development Director Goellner stated that she would say the City is very cooperative in the early discussions with developers as they inquire, but the developers quickly learn that what works in their pro forma and what can economically work is far beyond what the City's code allows so they are always up against those two things not being the same. She stated that there ends up being a lot of back and forth with developers on the early side where staff is telling them all about the context of building in the City and how they are looking for smaller, more charming buildings. Some developers are really set on what they want and some are willing to work with what is given in the code in order to get their project through the process. She stated that overall, she would say the City is somewhere in the middle with how easy it is to build within the City.

Commissioner Wothe stated that long ago he was on the Planning Commission and they may have developed an image at that time because very few developers came with a project, however, it wasn't that the City was opposed to doing something, it is just that nothing was happening. Chair Shaver stated that he wants to ensure that the HRA has the ability to comment on this issue and encouraged the Commission to speak to Executive Director Dahl, Community Development Director Goellner, or Planner Kieser about their questions and feedback. Executive Director Dahl encouraged the HRA to reach out to Community Development Director Goellner and after the workshop, suggested that staff send the Commission a recap of what happened at the meeting if there is any specific direction so the HRA can decide if any official action is warranted. He returned to the discussion surrounding an update of the development projects around the City. He explained that he had included market study because the Council has discussed this as being a priority in order to help fill some of the areas in the City

such as the promenade area. He noted that the last item he has listed is the Open for Business program which is run through the Metropolitan Consortium of Community Developers which is a non-profit entity. He explained that they have partnered with Hennepin County and basically offer business development services to small businesses, provide business planning, marketing assistance as well as access to some capital or gap financing. He stated that the City had a good call with them earlier in the week and have been utilizing them for the last 3 or 4 years. He explained that the City pays \$2,500/year for their services and Hennepin County also pays \$2,500/year. He stated that there is information about this on the City website.

Commissioner Wothe stated that he lives on the west end of Wayzata and travels east at least twice a day and has found that since Lake Street has been done, some issues have arisen and asked who he could discuss those issues with. Executive Director Dahl stated that it would depend on the issue and suggested that they talk and he can direct him to the correct entity after they have spoken. He stated that Chair Shaver had sent him some information earlier today about a pilot housing program that Plymouth is doing.

Chair Shaver stated that even though it was not on the agenda, he would like to bring it up for preliminary discussion purposes. He explained that he serves on the Board of Outreach Development Corporation which is a subset of Interfaith Outreach. He stated that the HRA of the City of Plymouth has entered into a public/private partnership to develop a project called Valor Place which is an affordable twin home project to support veterans. He explained that the City of Plymouth, through their HRA, is providing a \$600,000 grant to create this project. He stated that he would like to see the Wayzata HRA body explore the opportunity to create a pool of dollars through the HRA to support affordable housing within the community. He noted that he was not asking for action today, but would like to start the process for a deeper discussion among the HRA about this possibility. Executive Director Dahl stated that he was not aware of this project until Chair Shaver sent him the information, but noted that it looks like an interesting project. He stated that staff has talked about the overall prioritization of affordable housing and that is one of the reasons that came out of the moratorium discussion. He stated that he thinks this is part of a larger discussion of whether the HRA would like to pivot in that direction and is curious to see what the other Commissioners think about it as well. He stated that he thinks it warrants a full discussion at the next meeting if there is interest from the HRA.

He stated that he is not necessarily saying that the HRA should make a whole-hearted pivot in this direction, but would like them to consider adding resources of this body around affordable housing within the community. Community Development Director Goellner stated that the timing of this discussion is really good because, as part of the implementation of the Comprehensive Plan, the Met Council wants the City to adopt within the next 6 months, a list of tools that the City is willing to use for affordable housing. She stated that she would like to have that discussion with the City Council this summer in order to meet the deadline and suggested that the next HRA meeting should be perfect timing for the HRA to discuss it prior to going to the Council.

There was a consensus of the HRA to have discussion surrounding affordable housing on the next agenda.

NEXT MEETING DATE: June 25, 2021

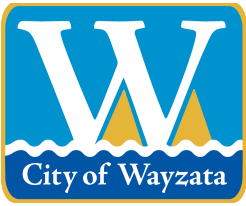
ADJOURN

There being no further business, Commissioner Ambrose made a motion, seconded by Commissioner Fox to adjourn the meeting. Upon roll call vote, the motion carried 5/0. The meeting adjourned at 8:56 am.

Respectfully submitted,

Kathy Leervig
City Clerk
City of Wayzata

DRAFT



City of Wayzata Housing and Redevelopment Authority Agenda Report

MEETING DATE: July 13, 2021	AGENDA ITEM: 6.a
TITLE: Consider Receipt of 2020 HRA Financial Report	
PROPOSED MOTION: To Accept the 2020 HRA Financial Report	
PREPARED BY: Aurora Yager, Administrative Services Director	
REVIEWED BY: Jeff Dahl, Executive Director	

ACTION REQUESTED:

Staff recommends acceptance of the 2020 HRA Financial Report.

FINANCIAL OR BUDGET CONSIDERATION:

See the attached report.

BACKGROUND:

Every year, the HRA reviews its financials based on a report from its financial consultant, AEM. Attached is a memo and an updated analysis as presented by Steve McDonald, from AEM, for your review. This item is a part of the City Audit process and therefore can only be accepted after the audit is complete in June.

Aurora Yager, Administrative Services Director, will be in attendance to provide a brief presentation and answer any questions.

ATTACHMENTS:

1. 2020 HRA Financial Report

July 8, 2021

MEMORANDUM

To: Jeff Dahl, City Manager
From: Steve McDonald, City Contracted Finance Director
Re: HRA Financial Statements -12-31-2020

Background

The Wayzata Housing and Redevelopment Authority (HRA) assists the City Council in addressing the City's housing and redevelopment goals and objectives in accordance with the Comprehensive Plan. It is a legally separate entity, of which the governing body consists of a five-member board of commissioners approved, but not selected, by the City Council. With the exception of the City Council approving board members and the HRA's budget, the HRA has complete control over its own duties. However, all HRA administrative and financial functions are performed by City staff, and the HRA is fiscally dependent upon the City. It is these criterion that result in the HRA being reported as a discretely presented component unit. The HRA does not prepare separate financial statements. Information on the HRA's governmental funds are shown as attachments to this memo.

The HRA has three active funds to report activity. They are described below:

314 Widsten Tax Increment (TIF 3) - TIF District No. 3 was submitted for certification on February 22, 1995 and was certified March 1, 1996. TIF District No. 3 was to be decertified no later than March 1, 2020. TIF District No. 3 was originally established in 1995 to facilitate the redevelopment of the Widsten Elementary School which had been vacated by I.S.D. No. 284 (Wayzata). Pursuant to the 1995 TIF Plan the City and HRA acquired certain parcels and completed public redevelopment activities including various utility and streetscape improvements. Acquired land on the Widsten block was resold for private redevelopment. An amendment to the TIF Plan for TIF District No. 3 was adopted February 21, 2001 authorizing increased expenditures for a municipal parking facility on Mill Street and addition storm sewer improvements.

This fund has completed its original purpose but obtained special legislation that would allow for broader use of existing and future tax increment and therefore the decertification date was extended until 12/31/2022. Future increment will be used to pay for debt service related to the parking ramp. This obligation was evidenced by the \$1,534,266 due to the general fund of the City. The fund has a remaining commitment of \$230,379.

316 Bay Center Tax Increment (TIF 5) - The City Council and the HRA determined that pursuant to the 2010 Wayzata TIF District No. 5 Special Law, it was necessary and in the best interests of the City to decertify Redevelopment TIF District No. 5, originally certified June 11, 2009, and adopt and implement a TIF Plan ("TIF Plan") for Replacement Redevelopment TIF District No. 5 and request a new certification.

The 2010 Wayzata TIF District No. 5 Special Law was enacted by the Minnesota legislature in recognition of the detrimental impact of the 2008 economic downturn on real estate redevelopment projects such as the proposed redevelopment of the Wayzata Bay Center as described in the Agreement and TIF Plan for TIF District No. 5. The City and Authority were allowed additional flexibility, in part, as follows:

Any parcel is deemed to meet the requirements of Minnesota Statutes, section 469.174, subdivision 10, paragraph (d), clause (1), if the following conditions are met:

- 1) a building on the parcel was demolished by a developer or the City after the City Council found the building to be structurally substandard upon approval of original tax increment financing plan for the district; and

- 2) the City decertifies Redevelopment TIF District No. 5, but files a request with the county auditor for certification of the parcel as part of a subsequent redevelopment or renewal and renovation district within ten years after the date of demolition.

This District will be used to fund pay as you go notes totaling \$23 million and approximately \$520,000 of annual debt service costs on the new parking ramp. Additionally, in 2020 the City issued \$3.71 million in TIF bonds as part of the financing for the Panoway on Wayzata Bay project for purposes of paying for public improvements, including road, streetscape and utility improvements on Lake Street. Of that amount, \$2.245 Million of the debt service will be paid from TIF District No. 5 revenues at a rate of approximately \$160,000 per year. Currently there is a fund balance of \$34,223.

305 Downtown (TIF 6) - The District currently consists of 24 parcels of land and adjacent and internal rights-of-way. The District is being created to facilitate the construction of approximately 71 condos, 53,690 square feet of office space, 10,603 square feet of retail space, a public lot/ramp and road and streetscape improvements along Lake Street within the City.

Two projects have been completed that did not request TIF. Wayzata Blu which includes 18 condos and 3,500 sq./ft of retail space, and Meyer Place which included 22 condos.

There are four other active redevelopments under construction. 253 Lake Street, owned by Brad Hoyt, is constructing a 25-unit apartment building called Ventana. Associated with that approval is the donation of land that will act as the centerpiece for a new public parking lot which will be constructed in conjunction with the building. 235 Lake Street, owned by Pat Hughes, is constructing a 3-story office building. 305 Lake Street, owned by Lowell Zitzloff, is under construction for a 30,000 sq./ft three story office building. And lastly, 405 Lake Street, owned by Bob Lothenbach, completed exterior construction and is now completing interior tenet buildouts.

In 2020 the City issued \$3.71 million in TIF bonds as part of the financing for the Panoway on Wayzata Bay project for purposes of paying for public improvements, including road, streetscape and utility improvements on Lake Street. Of that amount, \$1.465 Million of the debt service will be paid from TIF District No. 6 revenues at a rate of approximately \$175,000 per year.

The current fund deficit of \$674,274 resulted from the initial costs to establish the district and some preliminary construction costs. It should be eliminated as increment builds over the next few years.

440 Housing (TIF 2) - This fund represents the remaining pooled funds from the TIF 2 (Card) district. There are no current debt obligations for this fund.

A summary of the funds are shown below.

	Name of TIF District		
	TIF 3 Widsten	TIF 5 Replacement	TIF 6 Downtown West
Current net tax capacity	\$ 534,435	\$ 3,658,898	\$ 1,158,066
Original net tax capacity	\$ 14,451	\$ 335,250	\$ 748,013
Captured net tax capacity	\$ 519,984	\$ 3,323,648	\$ 410,053
Tax increment received in 2020	\$ 439,414	\$ 2,928,223	\$ 111,529
Tax increment expended in 2020	\$ 41,893	\$ 3,602,612	\$ 726,774
Month and year of first tax increment receipt (MM / YYYY)	6 / 1997	5 / 2015	7 / 2020
Date of required decertification (MM / DD / YYYY)	12/31/2022	12/01/2040	12/01/2045

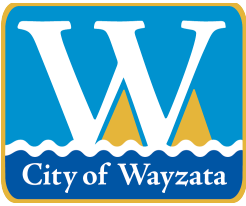
Overall - The financial activities of the HRA are consistent with the City expectations and there appears to be adequate resources to fund future activity. The deficit fund balances that exists will be eliminated based on current cash flow projections and are typical in the management of these districts.

Attachment: HRA 2020 Financials

City of Wayzata, Minnesota					
Housing and Redevelopment Authority					
(Discretely Presented Component Unit)					
Combining Balance Sheet					
December 31, 2020					
	Special Revenue	Debt Service	Capital Projects		
	440	314	316	305	
	Housing	Widsten Tax Increment	Bay Center Tax Increment	Downtown TIF 6	Total
Assets					
Cash and temporary investments	\$ -	\$ 97,304	\$ 991,722	\$ -	\$ 1,089,026
Receivables					
Accrued interest	9,818	-	-	-	9,818
Taxes	-	11,253	20,588	800	32,641
Notes	19,250	-	-	-	19,250
Due from other funds	-	27,439	-	-	27,439
Total Assets	\$ 29,068	\$ 135,996	\$ 1,012,310	\$ 800	\$ 1,178,174
Liabilities					
Accounts payable	\$ -	\$ -	\$ 978,087	\$ 23,536	\$ 1,001,623
Due to other governments	-	1,143	-	747	1,890
Due to other funds	-	-	-	27,439	27,439
Accrued interest payable	-	3,840	-	-	3,840
Due to primary government	-	230,379	-	623,352	853,731
Deposits payable	703	-	-	-	703
Total Liabilities	703	235,362	978,087	675,074	1,889,226
Fund Balances					
Restricted for economic development	28,365	-	34,223	-	62,588
Unassigned	-	(99,366)	-	(674,274)	(773,640)
Total Fund Balances	28,365	(99,366)	34,223	(674,274)	(711,052)
Total Liabilities and Fund Balances	\$ 29,068	\$ 135,996	\$ 1,012,310	\$ 800	\$ 1,178,174
Total Fund Balances Reported Above					\$ (711,052)
Amounts reported for the Housing and Redevelopment Authority in the statement of net position are different because					
Capital assets used in the Housing and Redevelopment Authority are not financial resources and therefore are not reported as assets in the funds.					
Cost of capital assets					2,092,900
Total Net Position - Housing and Redevelopment Authority					\$ 1,381,848

Attachment: HRA 2020 Financials (Continued)

City of Wayzata, Minnesota					
Housing and Redevelopment Authority					
(Discretely Presented Component Unit)					
Combining Statement of Revenues, Expenditures and					
Changes in Fund Balances					
For the Year Ended December 31, 2020					
	Special				
	Revenue	Debt Service	Capital Projects		
	440	314	316	305	
		Widsten	Bay Center	Downtown	
	Housing	Tax Increment	Tax Increment	TIF 6	Total
Revenues					
Tax increment	\$ -	\$ 439,414	\$ 2,928,223	\$ 111,529	\$ 3,479,166
Miscellaneous	-	-	-	100,000	100,000
Investment earnings (charges)	622	3,432	24,721	157	28,932
Total Revenues	622	442,846	2,952,944	211,686	3,608,098
Expenditures					
Current					
Housing and economic development	32,093	19,610	3,597,479	726,774	4,375,956
Debt service					
Interest and other	-	22,283	5,133	-	27,416
Total Expenditures	32,093	41,893	3,602,612	726,774	4,403,372
Net Change in Fund Balances	(31,471)	400,953	(649,668)	(515,088)	(795,274)
Fund Balances, January 1	59,836	(500,319)	683,891	(159,186)	84,222
Fund Balances, December 31	\$ 28,365	\$ (99,366)	\$ 34,223	\$ (674,274)	\$ (711,052)



City of Wayzata Housing and Redevelopment Authority Agenda Report

MEETING DATE: July 13, 2021	AGENDA ITEM: 6.b
TITLE: Consider Amendments to HRA Bylaws	
PROPOSED MOTION: To Consider Amendments to HRA Bylaws	
PREPARED BY: Jeff Dahl, Executive Director	
REVIEWED BY: N/A	

ACTION REQUESTED:

Staff and the subcommittee recommend discussion of the contemplated bylaw amendments and bring back a final draft at the next HRA Meeting.

FINANCIAL OR BUDGET CONSIDERATION:

There are no direct budget implications by this policy consideration.

BACKGROUND:

At the April 1st HRA Meeting, the HRA appointed a subcommittee of Commissioner's Huml and Fox to explore updates to the HRA bylaws, its governing charter. The Committee met later in April, along with staff and City Attorney Schelzel, and concluded the following:

- There are a number of minor/housekeeping amendments that the committee felt comfortable in proposing;
- A preamble should be added and updated to reflect the goals of City's recent visioning document, 2040 Comprehensive Plan, and Business Subsidy Processes; and
- The HRA should discuss the section on "Staff Services."

Attached is a preliminary draft bylaw document. The HRA should discuss both the specific proposed amendments and the larger policy directives. Any specific changes to the bylaw document will need to be approved by both the HRA and the City Council.

ATTACHMENTS:

1. HRA BYLAWS - Proposed 2021 Amendments CLEAN
2. HRA BYLAWS - Proposed 2021 Amendments

**AMENDED AND RESTATED
BYLAWS
of the
HOUSING AND REDEVELOPMENT AUTHORITY
In and for the City of Wayzata, Minnesota
(Adopted ____, 2021)**

PREAMBLE

State law provides that cities may create housing and redevelopment authorities to undertake certain types of housing and redevelopment or renewal activities. Housing and redevelopment authorities are separate public entities, governed by a board of commissioners, which may authorize the acquisition of real estate, housing and commercial loans and grants, and the issuance of bonds.

The Housing and Redevelopment Authority in and for the City of Wayzata (HRA) was created by the Wayzata City Council in 1967, after holding a hearing and determining the need for an HRA in the City. The original goals of the HRA were:

1. Set a standard for future development of Wayzata;
2. Exploit the natural advantages of Lake Minnetonka;
3. Preserve the distinctive atmosphere of Wayzata;
4. Create a business climate that will enable local businesses to compete with the planned investment in nearby commercial centers;
5. Attract businesses that will offer improved employment opportunities;
6. Establish an improved quality in multiple housing facilities; and
7. Maximize tax return.

In addition, the Wayzata HRA seeks to help implement the goals and policies of the Wayzata 2040 Comprehensive Plan, the vision and mission of the City's most recent Strategic Plan, and the provisions of the City's TIF and Business Subsidy Policies. A summary of those goals are:

- City Nodes with Greater Housing Diversity;
- Continued Redevelopment of Blighted Areas;
- Proactive Environmental Sustainability;
- Connected, Walkable, and Pedestrian Friendly;
- Redevelopment of Blighted Areas;
- Charming, Thoughtful, and Managed Development;
- Diversify and Enhancement of Jobs and Local Tax Base;
- Enhancement of Public Parking Infrastructure; and
- Maintenance and Enhancement of Vibrant Commercial Corridors.

ARTICLE I. **AUTHORITY**

Section A. Name. The legal name of the HRA is “Housing and Redevelopment Authority of the City of Wayzata”.

Section B. Office. The offices of the HRA shall be at the City Hall in the City of Wayzata, Minnesota, but the HRA may hold its meetings at such place or places as it may designate.

ARTICLE II. **MEETINGS**

Section A. Date of Annual Meeting. The annual meeting shall be held on the fourth Thursday in January of each year at 7:30 A.M. or such other date and time as set by the HRA, at the regular meeting place of the HRA. In the event such day shall be a legal holiday, the annual meeting shall be on the next succeeding Wednesday.

Section B. Quorum. There must be a quorum, as defined in Article IV, to conduct business at all meetings. If a quorum is not present for an annual meeting, the Chair shall establish a date for a new annual meeting. If a quorum is not present for a regular or special meeting, the Chair shall adjourn the meeting to the next regular or special meeting of the HRA.

Section C. Annual Meeting. The following, among any other appropriate matters, shall be considered at the annual meeting:

1. Election of officers;
2. Determination of need for regular meetings to be held until the next annual meeting and if necessary determination of dates for regular meetings;
3. Discussion of bylaws and any suggested amendments;
4. Receipt of Financial Report, unless scheduled and presented at a subsequent meeting; and
5. Appointment of Executive Director

Section D. Regular Meetings. If determined necessary by the HRA, regular meetings shall be held at a fixed place and at a time as determined by the HRA at its annual meeting. The time may be changed by the HRA at any subsequent meeting by a majority vote of all Commissioners and after notification of such change in the City’s official newspaper. Agendas for regular meetings shall include at least the following order and items of business:

1. Call to Order;
2. Approval of Agenda;
3. Approval of Minutes;
4. Unfinished or Organizational Business;
5. New Business; and
6. Adjournment.

Section E. Special Meetings. Special meetings of the HRA may be called by the Chair, or any two members of the HRA, for any proper purpose of the HRA upon oral or written notice to each of the Commissioners and to the local newspapers at least 3 days prior to the date of the special meeting. A written notice shall set forth the time and place of the special meeting and be posted at City Hall at least 3 days prior to the date of the special meeting.

Section F. Public Meetings. All meetings shall be open to the public in accordance with the provisions of Minnesota Statutes.

ARTICLE III. **COMMISSIONERS, OFFICERS, ADMINISTRATOR, STAFF**

Section A. Commissioners. The HRA shall consist of five (5) Commissioners who must be residents of the City of Wayzata. The Commissioners shall be appointed by the Wayzata City Council. Each Commissioner shall serve a term of five (5) years in accordance with Minnesota statute § 469.003.

Section B. Officers. The officers of the HRA shall consist of a Chair, a Vice Chair, a Secretary, and such other officers as shall from time to time be chosen and appointed by the HRA.

Section C. Chair. The HRA shall select a Chair from among its Commissioners who shall preside at all meetings of the HRA.

Section D. Vice Chair. The HRA shall select a Vice Chair from among its Commissioners who shall preside at all meetings of the HRA in the absence of the Chair and shall perform such other duties as may be assigned by the Commissioners. In the case of death, retirement, or resignation of the Chair, the Vice Chair shall perform and be vested with all the duties and powers of the Chair until such time that a new Chair is chosen by the Commissioners.

Section E. Secretary. The HRA shall select a Secretary from among its Commissioners who shall be responsible for certification of official actions of the HRA.

Section F. Executive Director. The HRA shall appoint an Executive Director, who shall not be a Commissioner. The Executive Director shall be responsible for:

1. Securing, supervising and directing any personnel required for work to be accomplished by the HRA;
2. Providing for the taking of and preparing minutes of each meeting of the HRA;
3. Maintaining any appropriate files as deemed necessary by the Commissioners, including files of minutes, publication of meetings, and meeting agendas;
4. The general administration and financial management of the affairs of the HRA pursuant to policies determined by the Commissioners; and
5. Any other responsibilities assigned by the Chair or Commissioners.

Section G. Staff Services. If the HRA appoints the City Manager as the Executive Director and/or uses personnel under the control of the City Manager, a contract for staff services shall be entered into which clearly designates the services provided.

ARTICLE IV. **QUORUM AND VOTING**

Section A. Quorum. A quorum of the HRA shall be three Commissioners. A quorum shall be required to conduct business at any meeting of the HRA.

Section B. Voting. An affirmative vote of a majority of those Commissioners present at a meeting shall be required to take action on or approve any matter before the HRA, except that with respect to the following matters, an affirmative vote of three (3) or more Commissioners shall be required:

1. To appoint or revoke the appointment of the Executive Director;
2. To cancel a contract;
3. To amend the Bylaws;
4. To change the time of regular meetings or the time of the annual meeting;
5. To borrow money; or
6. To approve a project.

ARTICLE V. FINANCE AND CONTRACTS

Section A. Fiscal Year. The Calendar year shall be the fiscal year of the HRA. However, other fiscal years for specific purposes or undertaking of the HRA may be established as required or desirable.

Section B. Budgets. The Executive Director shall prepare a budget for each project that is being considered by the HRA. If an annual operating budget is desired by the HRA, the HRA shall submit its request in accordance with the City's established budget approval process. City Council approval of project and operating budgets is required.

Section C. Investments of the HRA. The investments of the HRA funds shall be the responsibility of the Executive Director in accordance with the investment policies of the City.

Section D. Project and Procurement Manager. The responsibility for Project Management and Procurement for each approved HRA project shall be outlined in a Project Manager/Procurement Contract.

Section E. Disbursements.

1. Federal and State funds. All funds received from the Government of the United States or any of its agencies, and the state of Minnesota or any of its agencies, shall be disbursed and accounted for in accordance with the regulations or requirements from time to time made by the Federal or State agencies furnishing funds to the HRA.
2. Official Depository. All monies received by the HRA from any source whatsoever shall be deposited in bank accounts in accordance with the established practices of the City. All disbursements shall be in accordance with the established practices of the City.
3. Checks. All checks drawn on bank accounts of the HRA shall indicate the fund and, in the case of a project, the project to be charged. All checks shall be signed by the Executive Director.

ARTICLE VI. POWERS AND DUTIES

Section A. General Powers and Duties. The HRA shall have the powers and duties provided to the HRA by Minnesota Statutes.

ARTICLE VII. **AMENDMENTS**

These Bylaws may be amended at any meeting of the HRA provided that notice of such proposed amendment is mailed to each Commissioner of the HRA at least ten days prior to such meeting. The amendment of the Bylaws and the vote required shall be in accordance with Article IV of these Bylaws.

AMENDED AND RESTATED
BYLAWS
of the
HOUSING AND REDEVELOPMENT AUTHORITY
In and for the City of Wayzata, Minnesota
(Adopted , 2021)

PREAMBLE

State law provides that cities may create housing and redevelopment authorities to undertake certain types of housing and redevelopment or renewal activities. Housing and redevelopment authorities are separate public entities, governed by a board of commissioners, which may authorize the acquisition of real estate, housing and commercial loans and grants, and the issuance of bonds.

The Housing and Redevelopment Authority in and for the City of Wayzata (HRA) (~~HRA~~) was created by the Wayzata City Council in accordance with State Law by:

~~A resolution passed by the City Council of Wayzata, Minnesota, on the 4th day of April, in 1967, after holding providing for a hearing to and determining the need for an HRA in the City Housing and Redevelopment Authority to function in Wayzata, Minnesota;~~

~~A resolution passed by the City Council of Wayzata, Minnesota, on the 16th day of May, 1967, determining the need for a Housing and Redevelopment Authority in Wayzata, Minnesota; and~~

~~A resolution passed by the City Council of Wayzata, Minnesota, on the 1st day of August, 1967, approving the appointment of the Commissioners of the Housing and Redevelopment Authority of Wayzata, Minnesota.~~

{ The original goals ~~for of~~ the HRA were:

1. Set a standard for future development of Wayzata;
2. Exploit the natural advantages of Lake Minnetonka;
3. Preserve the distinctive atmosphere of Wayzata;
4. Create a business climate that will enable local businesses to compete with the planned investment in nearby commercial centers;
5. Attract businesses that will offer improved employment opportunities;
6. Establish an improved quality in multiple housing facilities; and
7. Maximize tax return.

Comment [1]: Should we keep this for historical reference?

Additional goals ~~were have been~~ established ~~when in connection with the creation of individual tax increment (TIF) districts were created in the City of Wayzata, Minnesota within the City.~~ These districts have included:

Comment [2]: Do we want to list these?

In addition, the ~~Currently, the~~ Wayzata HRA seeks to help ~~implement the goals and policies~~ of the Wayzata 2040 Comprehensive Plan, the vision and mission of the City's ~~most recent Strategic Plan~~ ~~2019-2022 Comp Plan~~ ~~Strategic Plan~~, and the provisions of the City's ~~TIF Districts Plans~~

~~TIF and Business Subsidiary Policies~~. A summary of those goals are:

- [City Nodes with Greater Housing Diversity](#)
- [Continued Redevelopment of Blighted Areas](#)
- [Proactive Environmental Sustainability](#)
- [Connected, Walkable, and Pedestrian Friendly](#)
- [Redevelopment of Blighted Areas](#)
- [Charming, Thoughtful, and Managed Development](#)
- [Diversify and Enhancement of Jobs and Local Tax Base](#)
- [Enhancement of Public Parking Infrastructure](#)
- [Maintenance and Enhancement of Vibrant Commercial](#)

[Corridors](#)

Comment [3]: Should we call out or highlight any of these? Or work on a restatement of the goals, along the lines of the original goals listed above, informed by these other documents and updated for 2021 and beyond?

Comment [4]: Jeff, I think you mentioned these but I couldn't put my hands on a copy of them...

ARTICLE I. AUTHORITY

Section A. Name. The legal name of the HRA is "Housing and Redevelopment Authority of the City of Wayzata".

Section B. Office. The offices of the HRA shall be at the City Hall in the City of Wayzata, Minnesota, but the HRA may hold its meetings at such place or places as it may designate.

ARTICLE II. MEETINGS

Section A. Date of Annual Meeting. The annual meeting shall be held on the ~~fourth~~ ~~third Thursday~~ ~~Monday~~ in ~~January~~ ~~September~~ of each year at ~~7:30 A.M.~~ ~~6:00 P.M.~~ or ~~such other date and time as set by the HRA, as scheduled by mutual consent~~ at the regular meeting place of the HRA. In the event such day shall be a legal holiday, the annual meeting shall be on the next succeeding Wednesday.

Comment [5]: Change to preferred "default" date and time for annual meeting

Section B. Quorum. There ~~shall~~ must be a quorum, as defined in Article IV, to conduct business at all meetings. If a quorum is not present for an annual meeting, the Chair shall establish a date for a new annual meeting. If a quorum is not present for a regular or special meeting, the Chair shall adjourn the meeting to the next regular or special meeting of the HRA.

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Section G. Staff Services. If the HRA appoints the City Manager as the Executive Director and/or uses personnel under the control of the City Manager, a

(contract for staff services shall be entered into which clearly designates the services provided.)

Comment [6]: Jeff, I have this highlighted in my notes but not sure if or how we wanted to modify. Have we had an HRA contract like this in place for you or for City staff?

ARTICLE IV. QUORUM AND VOTING

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Section B. Voting. An affirmative vote of ~~approval by~~ a majority of those Commissioners present at a meeting shall be required to take action on or approve any matter before the HRA, except that with respect to the following matters, an affirmative vote of approval by three (3) or more Commissioners shall be required ~~to act~~:

1. To ~~request replacement of~~ appoint or revoke the appointment of the Executive Director; ~~or~~
2. To cancellation of the contract; ~~with the City~~;
3. To amend the Bylaws;
4. To change the time of regular meetings ~~time or the time of the annual meeting~~;
5. To borrow money; or
6. To approve a project.

ARTICLE V. FINANCE AND CONTRACTS

Section A. Fiscal Year. The Calendar year shall be the fiscal year of the HRA. However, other fiscal years for specific purposes or undertaking of the HRA may be established as required or desirable.

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Section D. Project and Procurement Manager. The responsibility for Project Management and Procurement for each approved HRA project shall be outlined in a Project Manager/Procurement Contract.

Section E. Disbursements.

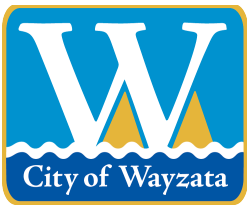
1. Federal and State funds. All funds received from the Government of the United States or any of its agencies, and the state of Minnesota or any of its agencies, shall be disbursed and accounted for in accordance with the regulations or requirements from time to time made by the Federal or State agencies furnishing funds to the HRA.
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ARTICLE VI. POWERS AND DUTIES

Section A. General Powers and Duties. The HRA shall have the powers and duties provided to the HRA by Minnesota Statutes.

ARTICLE VII. AMENDMENTS

These Bylaws may be amended at any meeting of the HRA provided that notice of such proposed amendment is mailed to each Commissioner of the HRA at least ten days prior to such meeting. The amendment of the Bylaws and the vote required shall be in accordance with Article IV, ~~that sets forth the voting provisions~~ of these Bylaws.



City of Wayzata Housing and Redevelopment Authority Agenda Report

MEETING DATE: July 13, 2021	AGENDA ITEM: 6.c
TITLE: Housing Action Plan Discussion	
PROPOSED MOTION: N/A	
PREPARED BY: Emily Goellner, Community Development Director	
REVIEWED BY: Jeff Dahl, Executive Director	

ACTION REQUESTED:

Commissioners are encouraged to review the attached Housing Action Plan. At the meeting, staff can answer questions about specific tools, policies, partnerships, and studies that promote Wayzata's housing goals. Commissioners may also consider three potential next steps summarized at the end of this memorandum.

FINANCIAL OR BUDGET CONSIDERATION:

N/A

BACKGROUND:

Housing Summary

Quality housing is at the core of a prosperous community. At its most basic level, housing serves a number of vital functions, ranging from shelter from the elements to a form of investment and financial security. Attractive housing is a key component of both neighborhood and community wide character, while new housing developments may serve to revitalize portions of the community. Wayzata has a variety of housing types that provide an array of options for current and future residents. Recent redevelopment opportunities within the community have added additional housing and diversity to the City's housing stock. By 2017, the overall housing stock grew to just over 2,500 units, an increase of nearly 24 percent from 2010. Multifamily dwelling types grew the highest over this time period, now representing the greatest number of units across all housing types. The future population projections developed by the Metropolitan Council expect the number of households within the community to continue to increase over the next 25 years, to a total of 2,680 units by 2040.

Existing Housing Stock

One of Wayzata's greatest strengths and assets is its unique single-family residential neighborhoods and individual estates, which are a vital component to the community's sense of identity. Another important strength of the community is its reputation for quality, in both materials and overall design of residential structures. While the City continues to develop a diverse housing stock, concerns remain for the maintenance of the existing housing stock.

In 2010, nearly 40 percent of all housing within the community was renter occupied. As the City continues to provide a variety of housing types, a variety of rental rates can contribute to a variety of options for future and current residents. The median gross rent in Wayzata has continued to grow since 1990, but the growth rate has tapered between 2010 and 2016. Additionally, the rent within Wayzata is historically less expensive than that of surrounding communities.

In 2018, there were 89 publicly subsidized housing units within the City.

Life Cycle Housing

Residents recognize and advocate for the establishment of “life-cycle” housing options, so that a diverse mixture of individuals, including young families and older residents, may all have the opportunity to live within Wayzata. Life-cycle housing includes a variety of housing options that provide for the diverse needs, preferences, and circumstances at all life stages, by providing a balance of single-family homes, apartments, condominiums, townhomes, and senior housing for independent living or with a range of assisted-living services. Thus, the City supports the development of life-cycle housing options through policies that preserve and support high quality developments in appropriate locations.

Increasing Land Values

One of the greatest challenges facing Wayzata is the economic reality of rapidly increasing land values. As a fully built out community, developable land is scarce, which when combined with the City’s proximity to the lake, has driven up the value of land. While the City and the Wayzata Housing and Redevelopment Authority (HRA) are committed to providing opportunities for a range of individuals, the City will likely continue to have difficulty identifying appropriate locations for additional affordable and moderate priced units. Much of the existing affordable housing within the community was the result of private sector developments, and the City will continue to work with these organizations to identify future affordable housing opportunities if they arise.

State Statute requires that each City’s Comprehensive Plan acknowledges the city’s share of the regional need for low- and moderate income housing. The Metropolitan Council has identified its total need of 37,900 affordable housing units between 2021 and 2030 throughout the region. A total of 42 units has been allocated to the City of Wayzata to support the development of the affordable housing stock. To accommodate this, the city has identified growth areas within the future land use plan primarily on Wayzata Boulevard and Lake Street. Proposals for housing developments in these corridors are likely to be market rate unless public financial resources, from the City or other partners, are provided. A list of funding sources and potential partnerships are attached to this memorandum. It is also called the Housing Action Plan and was adopted as part of the 2040 Comprehensive Plan.

Commissioners are encouraged to review the attached Housing Action Plan. At the meeting, staff can answer questions about specific tools, policies, partnerships, and studies that promote Wayzata’s housing goals.

Potential Next Steps

Commissioners can also consider the following three potential next steps

1. Investigate whether the HRA’s Tax Increment Financing Policy should be updated to include affordable housing expectations
2. Consider having conversations with City Council about a local Inclusionary Housing Policy that would require affordable units within market rate projects (or would require a fee-in-lieu to be used on a different affordable project)
3. Consider additional conversations and studies about the state of the older rental properties in town to investigate whether there is any potential to lock in affordable rents while funding improvements to the health, energy efficiency, and exterior appearance of the buildings

ATTACHMENTS:

1. Wayzata Housing Action Plan

Housing Programs

As the City works with property owners and developers to grow and improve the housing stock within the community, it will utilize various partnerships and programs. Table 7 outlines programs that are currently used or are available for property owners within the City of Wayzata to support housing development. This table also defines what action the City might consider utilizing the tool, along with the housing need that it can support:

- A. Provide safe, affordable and quality housing stock for a range of affordability levels.
- B. Provide a range of housing options throughout the community that welcome a range of individuals, including senior housing and life cycle housing options.
- C. Support housing typologies and development that will help the City fill the existing affordable housing gap and provide housing for households at or below 80 percent of the AMI. Meet the 2030 affordable housing allocation of 42 additional units.
- D. Explore opportunities for infill development and redevelopment to provide housing options for all incomes.

Table 4-7: Housing Tools

Housing Tool	Description/Purpose	Wayzata Need				City Action
		A	B	C	D	
Tax Base Revitalization Account (TBRA)	helps cities clean up contaminated urban land and buildings for subsequent redevelopment that could include commercial, industrial, or housing opportunities. Restoring the tax base, developing more jobs near existing housing and services, or adding affordable housing to the region are primary objective of this account.		✗	✗	✗	The City will consider TBRA when working with developers for potential opportunities in Wayzata that could support housing at or below 80 percent AMI.
Livable Communities Demonstration Account (LCDA)	Funds development and redevelopment projects that achieve connected development patterns that link housing, jobs, and services, and maximize the development potential of existing or planned infrastructure and regional facilities.	✗	✗	✗	✗	The City will consider sites that could be eligible for this funding if parcels are redeveloped that align with LCDA's criteria and Wayzata's Comprehensive Plan. This tool can be used to construct rental housing at or below 80 percent AMI.
Local Housing Incentive Account (LHIA)	Helps to preserve and expand lifecycle, and affordable rental and ownership housing in the metropolitan area.	✗	✗	✗		The City will consider or encourage the use of this funding source to preserve existing affordable housing at or below 80 percent AMI.
Transit-Oriented Development Grants (LCDA-TOD)	Promote and catalyze moderate to high-density development projects located within walking distance of a major transit stop that typically include a mix of uses such as housing, jobs, restaurants, shops, and entertainment.					The City is not likely to explore these grants as no major transit stops are located within Wayzata.
The Federal Housing Administration (FHA) and Department of Veterans Affairs (VA)	Insures and guarantee loans, which increase housing market access for some families.	✗	✗		✗	The City will consider or encourage use of these loans to promote affordable housing access to veterans and their families.

Housing Tool	Description/Purpose	Wayzata Need				City Action
		A	B	C	D	
Minnesota Mortgage Program	Provides mortgages with below-market interest rates to first-time homebuyers through the sale of mortgage revenue bonds.	✗		✗		The City will consider educating prospective homebuyers in using this mortgage program.
Minnesota City Participation Program	MCPP is part of the Minnesota Mortgage Program, in which MHFA sets aside funds from the sale of mortgage revenue bonds for cities to meet locally identified housing needs.	✗		✗		The City will consider this funding source for potential affordable housing construction of homes at 80 percent AMI or below.
Community Activity Set-Aside	Is a third part of the Minnesota Mortgage Program in which MHFA sets aside funds from the sale of mortgage revenue bonds for lenders, local governments or nonprofit housing providers to meet homeownership needs in their communities.			✗		The City will consider this funding source as another potential option for affordable housing construction, particularly for households earning at or below 80 percent AMI.
Minnesota Urban and Rural Homesteading	Awards grants to organizations and public agencies that acquire, rehabilitate, and sell single-family homes that are vacant, condemned or blighted to at-risk first-time homebuyers.	✗				The City will consider this funding source to support homeowners if applicable.
Minnesota Fix-Up Fund	Provides home improvement loans with below-market interest rates for low and moderate-income homeowners.	✗		✗		The City will consider educating homeowners about this opportunity to improve their low and moderate-income homes, particularly for households earning at or below 80 percent AMI.
Rehabilitation Loan/Emergency and Accessibility Loan Program	Assists low-income homeowners in financing basic home improvements that directly affect the safety, habitability, energy efficiency or accessibility of their homes.	✗	✗	✗		The City will consider educating low-income homeowners about this financing opportunity to improve their homes if a need is identified. This tool can be used to support households earning at or below 80 percent AMI.

Housing Tool	Description/Purpose	Wayzata Need				City Action
		A	B	C	D	
Community Rehabilitation Fund	Provides grants to cities for acquisition, rehabilitation, demolition and new construction of single-family homes.	✗	✗	✗		The City will consider this fund to support affordable single-family homes in Wayzata.
Low and Moderate-Income Rental Program	Provides mortgages and rehabilitation funds for either acquisition and rehabilitation of or new construction of rental housing for low and moderate-income families.	✗	✗	✗		The City will consider educating property owners or developers about this potential funding source for affordable rental housing. This tool can be used to support rental housing for households at or below 80 percent AMI.
Affordable Rental Investment Fund (ARIF)	Provides low-interest first mortgages or deferred loans to help cover the costs of acquisition and rehabilitation or new construction of low-income rental housing.	✗		✗	✗	The City will consider educating and supporting developers about this potential funding source. This tool can be used to support rental housing for households at or below 80 percent AMI.
Low Income Housing Tax Credits (LIHTC)	LIHTC are MHFA's share of the tax credits allocated to Minnesota.	✗		✗	✗	If a development proposal meets the selection criteria and other requirements to secure these tax credits, the City will consider supporting the project if it aligns with the Comprehensive Plan and local zoning. This program is intended for rental housing at or below 50 percent AMI.
Rental Rehabilitation Loans	Provides property improvement loans to rental property owners.	✗	✗			The City will consider educating property owners about this program if a need is identified.

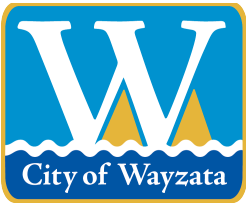
Housing Tool	Description/Purpose	Wayzata Need				City Action
		A	B	C	D	
HOME Rental Rehabilitation	Provides grants to rehabilitate privately-owned rental property in order to support affordable, decent, safe and energy efficient housing for lower-income families.	✗	✗	✗		The City will consider educating property owners about HOME funding to rehabilitate their affordable properties. This tool can be used to support households affordable for 80 percent AMI or below.
Local Bonds	May be used to assist with financing affordable housing and are available in two types. First, revenue bonds typically finance mortgages and are paid off with mortgage repayments. Second, general obligation bonds are paid off with local tax collections. Sold by state and local governments. Buyers accept a lower interest payment because it is not taxable income. State and local housing agencies use the bond proceeds to finance mortgages with below market interest rates.	✗	✗	✗	✗	As a smaller community the City's bonding authority is low, though it could be considered as a tool for housing affordability if a need is identified. This tool could be used to support housing at or below 80 percent AMI.
Tax Increment Financing (TIF)	Housing or redevelopment districts may be established by local governments to assist eligible housing projects. Local governments capture the property tax revenue generated by the new development and use the captured taxes to help finance the eligible project. Occupants must meet income restrictions for housing TIF districts.	✗		✗	✗	The City will consider TIF if a development aligns with Wayzata's Comprehensive Plan and provides some amount of housing at 80 percent AMI or below.
Local tax levies	May be used to directly finance affordable housing.			✗		The City is not likely to consider a tax levy due to competing needs for local funding.
Housing Referrals	The City can refer community members to previously mentioned available housing organizations for programs, services, and other resources.	✗	✗	✗	✗	The City will consider implementing a housing referral program.

Housing Tool	Description/Purpose	Wayzata Need				City Action
		A	B	C	D	
Greater Minnesota Housing Fund	Greater Minnesota Housing Fund is a nonprofit agency that provides capital funding grants and loans to affordable housing projects in greater Minnesota.	✗	✗	✗	✗	If a development proposal meets the selection criteria and other requirements to secure funding, the City will consider supporting the project if it aligns with the Comprehensive Plan and local zoning. This tool can be used to support housing for households at or below 80 percent AMI.
Tax Abatement	Reduce taxes or potential tax increases for owners to support affordable housing. Can be especially helpful for those housing types that have few grant programs available.	✗	✗	✗	✗	The City will research (within the 2020-2030 decade) and consider this tool to see if it's applicable in Wayzata. This tool can be used if a proposed development supports identified housing needs that support affordable housing (at or below 80 percent AMI), programs that preserve the City's existing housing stock, and expand the availability of lifecycle housing options.
Site Assembly	The City acquires properties to control the final development product and require projects to meet various housing goals. This can also be done by land banks or trusts to manage and repurpose properties for new affordable housing.				✗	As a built-out City, Wayzata will consider this for redevelopment opportunities if it arises and aligns with the Comprehensive Plan and local zoning. This tool can support housing for households at or below 80 percent AMI.

Housing Tool	Description/Purpose	Wayzata Need				City Action
		A	B	C	D	
Housing & Redevelopment Authority (HRA)	The Wayzata HRA's mission is to assist the Wayzata City Council in addressing the City's housing and redevelopment goals and objectives in accordance to the Comprehensive Plan. The HRA has authority through State Law to level a property tax, with City Council approval, to fund its operations and programs. The HRA is active in supporting the City's housing goals using various tools such as TIF and property acquisitions.	✗	✗	✗	✗	The Wayzata HRA will continue to support the City's housing and redevelopment goals and objectives through programming and assistance efforts. Efforts should be aimed to support new, infill, or redevelopment housing opportunities that support the creation of affordable housing (at or below 80 percent AMI), housing variety, lifecycle housing, and maintain a quality housing stock.
Fair Housing Policy	Adoption of local policies and practices to advance equity in housing on top of the existing federal Fair Housing Act and the Minnesota Human Rights Law.	✗	✗	✗	✗	The City will explore and consider a fair housing policy if it will further enhance the equity in housing of residents and the City decides to apply for LCA funding.
Housing Organizations	Housing organizations exist in the region that can provide technical expertise and programmatic support, as well as funding in certain cases to expand affordable housing opportunities.	✗	✗	✗	✗	The City will consider further utilization of local, regional, or national housing organizations when applicable.
Consolidated Request for Proposals	Many agencies that fund affordable housing have partnered with MHFA to release a single RFP due to projects often meeting shared goals among those organizations.	✗	✗	✗	✗	The City will consider reviewing the RFPs released by MHFA and/or other organizations if applicable to the housing needs of Wayzata. This tool can be used to provide rental housing at or below 50 percent AMI.
Rental Licenses and Inspection	Guarantees the quality and safety of housing units through City review processes and on-site inspections.	✗	✗			The City currently offers rental licenses and administers inspection of those units.

Housing Tool	Description/Purpose	Wayzata Need				City Action
		A	B	C	D	
Co-buy Home with Hennepin County	A homebuyer assistance program funded by Hennepin County to assist low-income families in purchasing a home.			✗		Per Hennepin County's website, such funds are currently not available. However, if funding again becomes available, the City will consider educating residents about this potential funding source.
Affordable Housing Incentive Fund (AHIF) – Hennepin County	Loan program that fund the development of housing units for very low-income households. It is used for gap financing to leverage private and public funding that support long-term affordability.			✗		If a development proposal meets the selection criteria and other requirements to secure an AHIF loan, the City will consider supporting the project if it aligns with the Comprehensive Plan and local zoning. This tool can be used to support ownership and rental housing for households at or below 30 percent AMI.
Homes within Reach	An organization that uses the practice of Community Land Trusts to establish property and home ownerships that are perpetually affordable.			✗		Wayzata is an active participant of Homes within Reach. The program is intended for use with households at or below 80 percent AMI.
Naturally Occurring Affordable Housing (NOAH) Tools	The Greater Minnesota Housing Fund invests in the preservation of existing affordable rental housing in the seven-county metro area that is at risk of becoming market rate.	✗	✗	✗		The City will consider reviewing the availability of NOAH properties in Wayzata and use of these tools if necessary. This tool can be used to support rental units at or below 80 percent AMI.

Housing Tool	Description/Purpose	Wayzata Need				City Action
		A	B	C	D	
Low Income Rental Classification (LIRC) – MHFA – Local 4D Tax Program	Tax reduction rate reduction of property taxes eligible to rental properties if subsidized under a federal or state government program or meeting certain rent and income restrictions.	✗		✗		The City will consider the use of this tool if existing NOAH properties could receive this tax rate reduction in exchange for rent and income restrictions. This tool can be used to support rental units at or below 60 percent AMI.
Housing Improvement Area (HIA)	A HIA is defined as an area in which a city finances housing improvements from fees imposed on properties within the same area. Townhome and condominium associations are common users of HIAs. The tool is commonly used when a need arises for deferred maintenance and funding is not available through the association. This tool maintains a high-quality housing stock and offers financial assistance for affordable home ownership opportunities.	✗	✗	✗		The City will explore the use of this tool when associations initiate a request for a HIA. The tool will be considered for use for properties with documented property maintenance issues and for units affordable to families earning 80 percent or less of the AMI.



City of Wayzata Housing and Redevelopment Authority Agenda Report

MEETING DATE: July 13, 2021	AGENDA ITEM: 6.d
TITLE: Development Update	
PROPOSED MOTION: N/A	
PREPARED BY: Jeff Dahl, Executive Director	
REVIEWED BY: N/A	

ACTION REQUESTED:

N/A

FINANCIAL OR BUDGET CONSIDERATION:

N/A

BACKGROUND:

At the meeting, staff will provide a verbal update on the following items:

- Panoway on Wayzata Bay
- Legislative Request for TIF Amendment
- Development Project-related Updates

ATTACHMENTS:

None