



HOUSING AND REDEVELOPMENT AUTHORITY

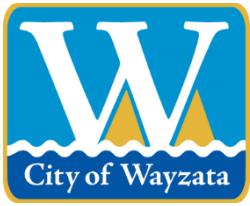
Meeting Agenda

Wayzata City Hall Community Room, 600 Rice Street

Wednesday, January 31, 2024

7:30 AM

1. **Call to Order**
2. **Approval of Agenda**
3. **Approval of Minutes**
 - a. Consider Approval of HRA Minutes of August 22, 2023
4. **Old Business**
5. **New Business**
 - a. Consider Election of Officers
 - b. Consider Appointment of Executive Director and Assistant Executive Director
 - c. Consider Discussion and Amendments of Bylaws
 - d. Discussion of Affordable Housing Work Plan
 - e. Update of Development Projects and Other HRA-related Initiatives
6. **Next Meeting Date: April 24, 2024**
7. **Adjournment**



**City of Wayzata
Housing and Redevelopment Authority
Agenda Report**

MEETING DATE: January 31, 2024	AGENDA ITEM: 3.a
TITLE: Consider Approval of HRA Minutes of August 22, 2023	
PROPOSED MOTION: To Approve the HRA Minutes of August 22, 2023.	
PREPARED BY: Kathy Leervig, City Clerk	
REVIEWED BY: Jeffrey Dahl, Executive Director	

ACTION REQUESTED:

Staff recommends approval of the attached minutes.

FINANCIAL OR BUDGET CONSIDERATION:

N/A

BACKGROUND:

N/A

ATTACHMENTS:

1. August 22, 2023 Minutes (draft)

CALL TO ORDER

Chair Shaver called the meeting of the Housing and Redevelopment Authority to order at 7:30 a.m.

ROLL CALL

Members Present: Commissioners Bob Ambrose, Terri Huml, Dan Koch, and Thomas Shaver

Members Absent: None

City Staff present: Executive Director Jeff Dahl, City Attorney Schelzel, Community Development Director Emily Goellner, Deputy City Manager Aurora Yager, Assistant Planner Valerie Quarles, and Bonnie Schwieger, Abdo.

APPROVAL OF AGENDA

Commissioner Huml made a motion, seconded by Commissioner Ambrose, to approve the August 22, 2023 agenda as presented. The motion carried 4/0.

APPROVAL OF MINUTES

A. Consider Approval of HRA Minutes of April 3, 2023 Meeting

Commissioner Ambrose made a motion, seconded by Commissioner Koch, to approve the April 3, 2023 meeting minutes, as presented. The motion carried 4/0.

OLD BUSINESS

NEW BUSINESS

A. Consider Receipt of 2022 Financial Summary and Review of TIF Cash Flow Analysis

Executive Director Dahl explained that the HRA Bylaws require a financial update once per year and noted that last year Deputy City Manager Yager and Bonnie Schwieger from Abdo put together a TIF Cash Flow Analysis which has been very helpful.

Bonnie Schwieger, Abdo reviewed the TIF Cash Flow Analysis over the course of the year for TIF 3, TIF 5, and TIF 6. She reviewed the total obligations and the projections over the life span of the districts. She gave a high level explanation of 'pooling' and noted that it would be where the district would use funds for more general development outside of the TIF district.

Chair Shaver asked what the bonds that are coming off of TIF 5 are used for.

Ms. Schwieger explained that TIF 5 is being used to pay back a bond that was issued in 2016 for a parking ramp and also part of the 2020 Panoway bond. She reviewed the available cash balances for the districts, in total. She noted that TIF 3 is almost done and explained that it was decertified in 2022 and has repaid a large portion of some bonds on behalf of TIF 5 and noted that the rest of the cash in 2023 will be used for that same purpose. She explained that by this time next year, TIF 3 will be completely done. She shared details from each TIF and the projected increments, annual obligations, and future pooling projects for the next ten years.

Mr. Dahl stated that these are very conservative numbers and does not anticipate any new development coming into the City, so any projects that come in will help bring in even more increment to pay off the obligations more quickly.

Chair Shaver asked if there were any significant variables that they should keep in mind or that could change this.

Ms. Schwieger stated that when the temporary bond is refinanced, that interest rate is built in at 4.8%, but you never know what the market will do. She stated that if, at the time it is refinanced, that interest rate increases, it could require more increment to pay back.

Mr. Dahl stated that other long-term variables would be tax rate and values and the shift with commercial and residential.

Commissioner Ambrose noted that he had just sold a house, he feels that values are still going up somewhat, but not as fast as they were last year.

Mr. Dahl explained that the approach of the HRA and the City has been to maximize, especially TIF 6, to fund City projects that are related to the district such as the Lake Walk or improvements in downtown. He explained that they have used this as their primary local funding source outside of a tax levy.

Commissioner Ambrose asked how the developers decide whether they want TIF money or not.

Mr. Dahl explained that at the end of the day it is really whether they 'need' it or not which they have to prove.

Chair Shaver noted that the fiscal consultant, on behalf of the City, runs through an analysis with the developer, including a 'but for' test that Mr. Dahl referred to as 'need'. He noted that if you think about what is happening with valuations of commercial properties, the assessed values are increasing yet there is a descending valuation associated with the office and commercial properties. He stated that he appreciated how closely they were looking at and adjusting for valuations.

Mr. Koch asked if any of the City's outstanding TIF obligations were negatively impacted during the last recession around the years of 2008 to 2012.

Ms. Schwieger stated that she did not know but explained that it would have impacted TIF 3. She noted that it would be interesting information to research.

Mr. Dahl stated that he believes the recession impacted it, but ultimately they decertified TIF 3 sooner than the original expectation.

Chair Shaver stated that he feels the City has used its TIF districts very effectively but is not sure that the public appreciates TIF and what it has provided, such as keeping the levy down. He stated that he wished that they could find a way to communicate this information to the public.

Mr. Dahl stated that he agreed and suggested that staff could have some internal conversations to look at what other cities have managed to do to successfully communicate this kind of information.

Chair Shaver stated that TIF has a very negative connotation so the trick will be to find a way to flip it in a succinct 'elevator speech' sort of way to show the value of what they have created as a result of using the TIF tool.

Commissioner Huml made a motion, seconded by Commissioner Ambrose, to Receive the 2022 Financial Summary and Review of TIF Cash Flow Analysis, as presented. The motion carried 4/0.

B. Consider Adoption of HRA Resolution 03-2023 Adopting Policy on Use of Public Funds to Reimburse Permitting Fees Associated with Affordable Housing Projects and Setting Date for Future Housing Related Workshop

Community Development Director Goellner reminded the HRA that they had approved this policy in January of 2023. She noted that the Council asked for two edits when they reviewed the policy. She gave an overview of proposed change to add a cap on the reimbursements available and to remove excess fund transfers as a funding source for reimbursements. She stated that staff is recommending adoption of the resolution with those changes in order to ensure that the HRA policy is consistent with the City Council's.

Commissioner Huml asked for an example of where an excess fund may exist that they would transfer over.

Deputy City Manager Yager explained that the City Council, after an audit, has certain targets for working capital in the General Fund and the Enterprise Funds. She stated that they analyze those and determine if there is any amount they have excess in reserve that are not needed for other purposes. She explained that they look at this annually and then usually transfer out an amount for a one-time resource. She noted that the City did not have any excess last year and with balancing future levy increases, the Council was looking at wanting to keep that for the already prescribed capital projects within the CIP.

Commissioner Huml made a motion, seconded by Commissioner Ambrose to Adopt HRA Resolution 03-2023 Adopting Policy on Use of Public Funds to Reimburse Permitting Fees Associated with Affordable Housing Projects, as presented. The motion carried 4/0.

Mr. Dahl stated that last week, the City Council and staff participated in a 3 day strategic planning session. He explained that their goals have evolved to: achieve financial diversification of revenue; focus inward in terms of strategies and projects; and focus on the City more in terms of operational excellence. He stated that within the idea of looking inward and how to make this the best community for the residents, they discussed affordable housing, which is clearly a high priority of the Council. He stated that he thinks that this warrants a workshop discussion in order to talk about the strategy and approach of the HRA.

Ms. Goellner stated that she was encouraged to see the focus from the Council on having a full range of housing options within the community. She explained that sometime this fall she would like to have a discussion with the HRA about housing inventory. She noted that many cities spend about \$20,000 to have an expert study the inventory, but she believes that they can try to do this in-house and noted that Assistant Planner Quarles has already begun a spread sheet of the naturally occurring affordable projects in the City. She stated that she would also have to have a conversation with them sometime this fall about the Wayzata Boulevard Corridor Study and the implementation steps for preserving affordable projects along the corridor and about the park-n-ride site.

Chair Shaver stated that at one point they had met with the Outreach Development Corporation and noted that about three years ago they had done a complete stock of multi-family in their service area. He believes that information was shared with City staff already so that may provide a bit of a jump start to their spreadsheet information.

Mr. Dahl stated that they did receive that information.

Ms. Goellner stated that she and Planner Quarles will continue to join the groups of West Metro Planners and HRA employees that are working on this type of thing in other cities to find out if they are able to replicate any of the work that they are doing, such as policy or finance solutions.

Chair Shaver encouraged the City to reach out to Outreach Development Corporation because they may be able to offer additional assistance.

Mr. Dahl suggested that a workshop could be held sometime between late October and Thanksgiving. He noted that the next meeting is scheduled for October 25, 2023, so if there was no action that needed to be taken, they could just use that date as a workshop.

C. Development and Other Updates

Ms. Goellner stated that she thinks it is important things for the HRA to find a 5th Commissioner. She encouraged the group to try to find and recruit a member who has a background in housing development, finance, or real estate, could be very helpful.

Chair Shaver encouraged the HRA to bring forward individuals that they know who a good fit may be.

Mr. Dahl noted that he was willing to go have a cup of coffee with these individuals to vet them a bit more and fill in some details about the HRA.

Ms. Goellner gave an overview of the recent activity in the City including the Wells Fargo site, the TCF property which has a few new scenarios that the developer has been working on, the 201 Lake Street – Westway Condominiums project, the Cantissimo development, and the pile driving for the Panoway project.

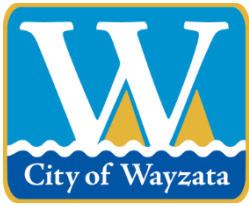
NEXT MEETING DATE: Wednesday, October 25, 2023

ADJOURN

There being no further business, Commissioner Huml made a motion, seconded by Commissioner Koch, to adjourn the meeting. The motion carried 4/0. The meeting adjourned at 8:50 am.

Respectfully submitted,

Kathy Leervig
City Clerk
City of Wayzata



**City of Wayzata
Housing and Redevelopment Authority
Agenda Report**

MEETING DATE: January 31, 2024	AGENDA ITEM: 5.a
TITLE: Consider Election of Officers	
PROPOSED MOTION: To Appoint a Chair, Vice Chair, and Secretary	
PREPARED BY: Jeffrey Dahl, Executive Director	
REVIEWED BY: N/A	

ACTION REQUESTED:

A motion is needed to appoint the HRA officers for 2024, per HRA bylaws.

FINANCIAL OR BUDGET CONSIDERATION:

N/A

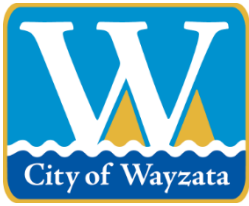
BACKGROUND:

Per HRA Bylaws, the HRA should appoint officers annually. 2023 Officers were Chair Shaver, Vice Chair Ambrose, and Secretary Huml. Below are the descriptions of each officer position:

- **Chair:** The HRA shall select a Chair from among its Commissioners who shall preside at all meetings of the HRA.
- **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.
- **Secretary:** The HRA shall select a Secretary from among its Commissioners who shall be responsible for certification of official actions of the HRA.

ATTACHMENTS:

None



**City of Wayzata
Housing and Redevelopment Authority
Agenda Report**

MEETING DATE: January 31, 2024	AGENDA ITEM: 5.b
TITLE: Consider Appointment of Executive Director and Assistant Executive Director	
PROPOSED MOTION: To Re-appoint Jeffrey Dahl as Executive Director and Emily Goellner as Assistant Executive Director	
PREPARED BY: Jeffrey Dahl, Executive Director	
REVIEWED BY: N/A	

ACTION REQUESTED:

A motion is needed to re-appoint City Manager Jeffrey Dahl as the Executive Director of the HRA and Emily Goellner as the Assistant Executive Director.

FINANCIAL OR BUDGET CONSIDERATION:

N/A

BACKGROUND:

Per HRA Bylaws, the HRA should annually appoint or reappoint the Executive Director. Below is the description of the Executive Director position. The City Manager has traditionally served this role.

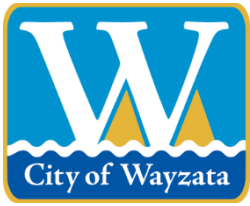
The Executive Director, who shall not be a commissioner, shall be responsible for:

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

Also, given the responsibility mentioned above, staff believes the HRA should acknowledge an Assistant Executive Director as well in case of the absence of the Executive Director.

ATTACHMENTS:

None



**City of Wayzata
Housing and Redevelopment Authority
Agenda Report**

MEETING DATE: January 31, 2024	AGENDA ITEM: 5.c
TITLE: Consider Discussion and Amendments of Bylaws	
PROPOSED MOTION: To Review the Bylaws and Propose Amendments, if necessary.	
PREPARED BY: Jeffrey Dahl, Executive Director	
REVIEWED BY: N/A	

ACTION REQUESTED:

Review the bylaws and discuss if any proposed changes are recommended.

FINANCIAL OR BUDGET CONSIDERATION:

N/A

BACKGROUND:

The current bylaws were adopted in January 2022. As stated in the bylaws, the HRA should contemplate any needed updates to the bylaws at its annual meeting in January. The bylaws are attached for review.

ATTACHMENTS:

1. BYLAWS

**AMENDED AND RESTATED
BYLAWS
of the
HOUSING AND REDEVELOPMENT AUTHORITY
In and for the City of Wayzata, Minnesota
(Adopted January 4, 2022)**

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.

Additional area-specific goals have been established in connection with the creation of individual tax increment (TIF) districts within the City.

Overall, the Wayzata HRA seeks to help realize the goals 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. These include:

1. Redeveloping blighted areas
2. Creating and enhancing areas of greater housing diversity
3. Supporting housing density initiatives in targeted neighborhood zones
4. Establishing and supporting, financially and politically, a local Inclusionary Housing Policy
5. Promoting environmental sustainability initiatives and components of projects
6. Promoting connected, walkable, and pedestrian friendly development
7. Promoting charming, thoughtful, and managed development
8. Diversifying and enhancing jobs and local tax base
9. Enhancing public parking infrastructure, and upgrading parking facilities with green energy features
10. Maintaining and enhancing vibrant commercial corridors

11. Enhancing the lakefront and natural resources it provides to the community

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 third 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 preceding Wednesday or such other time as set by the HRA.

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.

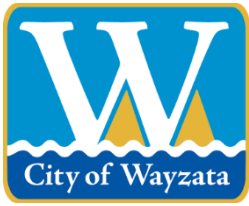
1. Federal and State funds. All funds received from the Government of the United States or any of its agencies, and the state of Minnesota or any of its agencies, shall be disbursed and accounted for in accordance with the regulations or requirements from time to time made by the Federal or State agencies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



City of Wayzata Housing and Redevelopment Authority Agenda Report

MEETING DATE: January 31, 2024	AGENDA ITEM: 5.d
TITLE: Discussion of Affordable Housing Work Plan	
PROPOSED MOTION: N/A	
PREPARED BY: Valerie Quarles, Assistant Planner	
REVIEWED BY:	

ACTION REQUESTED:

The HRA should review and discuss the Affordable Housing Work Plan and provide direction on their preferred priorities or changes for 2024.

FINANCIAL OR BUDGET CONSIDERATION:

N/A

BACKGROUND:

The City of Wayzata’s Comprehensive Plan and the Metropolitan Land Use Planning Act call for the City to adopt standards, plans and programs for providing adequate housing opportunities, including for low and moderate income housing. Over the past year, the City has generally worked to progress on this mandate on two fronts:

1. Preserving current affordable housing stock
2. Exploring opportunities to support new affordable construction

The attached Affordable Housing Work Plan details strategies that the City has used or would recommend using to achieve both of those goals. These strategies are based on priorities stated in the Comprehensive Plan, the new 2024-2026 Strategic Plan (from late 2023, and prior HRA discussions. The new strategic plan is also attached for reference).

Regarding the preservation of current affordable housing, staff have been focusing their recent efforts on Naturally Occurring Affordable Housing (NOAH), or housing that is affordable but not subsidized. To that end, a set of property summaries for all NOAH multifamily properties in within the City and accompanying analysis are included as attachments. The HRA should review and comment on that data and analysis. The Affordable Housing Work Plan contains a few potential next steps for these properties, including tax relief, which the HRA should consider in collaboration with staff.

Regarding new construction, staff have recently begun working with University of Minnesota students and Metro Transit staff to conduct pre-development analysis in anticipation of a future RFP to redevelop the Park and Ride site at 322 Wayzata Boulevard East. Park-and-ride ridership from this location has steeply declined in recent years and Metro Transit, as the site owner, is interested in partnering with the City to create affordable housing on the site. The attached update and memorandum of agreement contain more detail about the work that will be conducted over the next few months. The Affordable Housing Work Plan also notes the currently incomplete density bonus policy, fourth story policy (as noted in the Wayzata Boulevard Corridor Study), and inclusionary zoning as potential tools for affordable new construction that the HRA should consider in collaboration with staff.

The Affordable Housing Work Plan directly advances the 2024-2026 strategic priority of "Full Range of Housing Options", with sub-goals for NOAH preservation (preserving one multifamily property by the end of 2025) and the Park and Ride site (setting affordability goals by the end of 2024, with the goal of establishing the vision, due diligence, feasibility, funding, and project partners by the end of 2026).

While staff has assembled a realistic list of potential next steps, the HRA will set the overall direction and focus

of these efforts in 2024 through today's discussion.

ATTACHMENTS:

1. Affordable Housing Work Plan
2. NOAH Summary of Findings and Next Steps
3. NOAH Properties Map
4. NOAH Property Summaries
5. Wayzata Park and Ride Redevelopment Project Update
6. Memorandum of Agreement - University of Minnesota - 2024

Affordable Housing Draft Work Plan

The City of Wayzata's Comprehensive Plan and the Metropolitan Land Use Planning Act call for the City to adopt standards, plans and programs for providing adequate housing opportunities, including for low and moderate income housing. The City has worked to progress on this mandate on two fronts:

1. Preserving current affordable housing stock
2. Exploring opportunities to support new affordable construction

The 2030 affordable housing allocation for new construction in Wayzata is 42 additional units. 80% AMI is the typical income limit for units to be considered affordable. The Comprehensive Plan notes multiple steps related to this goal, including:

- Research and utilize Federal, State, and local funding sources to establish **housing rehabilitation loan and grant programs** for rental and owner-occupied units that are in need of repair.
- Research first-time homebuyer programs and low-interest loan programs to encourage **homeownership for young families**.
- Promote the development of **life-cycle housing options for all residents**, including single family housing for young families and well-designed multiple family options.
- Explore opportunities to **infill development and redevelopment** to provide housing options for all incomes.
- Explore **partnerships** with local non-profit organizations, including neighborhood groups, churches, Interfaith Outreach and Community Partners (IOCP), and other organizations to identify potential opportunities for additional affordable rental, multiple family and single-family units within the community. Continue to work with the Metropolitan Council in order to meet the agreed upon goals for additional affordable units as part of the Livable Communities Act.
- Investigate additional financial incentives for increased **home ownership** and home maintenance, including low or no interest loan programs for maintenance of older housing stock in established neighborhoods and uses of Community Development Block Grants.
- Review area and national affordable housing programs which aid the development of **workforce housing** development and promote homeownership for public service and workforce professionals.

Progress has been made for each of these steps since the Comprehensive Plan was adopted, but there is more to do on each as the housing market continues to evolve in Wayzata. Below is a summary of tools that have been adopted or used in recent years, as well as commentary on what remains. The remaining steps are listed in the order that they should be considered in order to leverage momentum and stakeholder buy-in, or prioritize those efforts that are more important than others.

Preserving Existing Affordable Housing Stock

Naturally Occurring Affordable Housing (NOAH) units, of which there are over 400 in Wayzata, are home to a significant portion of the city's residents. Preservation of these homes provides stability for our residents and reduces the rate of teardowns, which contributes to Wayzata's small-town charm and character.

Existing Tools

- Multiple properties, including Maggie Manor Too in 2023, are enrolled in the **Low Income Rental Classification (LIRC)** program for property taxes. LIRC, which has previously been described as 4(d), significantly lowers the property tax rates for affordable properties that commit to a period of affordability (typically in 10 year increments). Properties must receive a resolution of approval from City Council.
- The City has also begun integrating **reimbursement of building permit fees** for properties that enroll in LIRC, starting in 2023, utilizing various City-approved funding sources.
- In past years, the City has also utilized **tax abatement** for certain affordable properties that make a similar commitment, but this tool has not been applied to any new properties since 2010.
- Prior **TIF funding for residential maintenance items** has been mentioned at previous HRA meetings, but the program would need to be redesigned.
- The City's **Rental Licensing and Inspection Program** provides an avenue for staff to consistently engage with property owners and resolve any health and safety issues at rental properties.

Proposed Tools & Research

1. Staff have been improving the **rental licensing and inspection** processes to better understand the needs of specific properties, as well as build improved relationships with property owners.
2. Staff have been building a **database** of multifamily NOAH properties that can be continually updated with information related to rent, affordability status, and maintenance needs.
3. Staff have been exploring **grant options** for existing multifamily NOAH to better serve as technical assistance for externally funded improvements.
4. **Expanding LIRC** to encompass a greater portion of the City's Naturally Occurring Affordable Housing (NOAH) stock would provide rent stability to a larger group of residents.
5. Staff have been exploring options related to **Community Land Trusts (CLTs)** for affordable homeownership and single-family home preservation, including partnering with Homes Within Reach. Promoting CLTs to residents would provide affordable homeownership options without requiring City financial investment.

Incentivizing New Construction

New construction is also critical to the ongoing provision of affordable housing opportunities. The median age of a NOAH building in Wayzata is 59, and new housing needs to be constructed to replenish future losses while also addressing the growing need for affordability beyond existing units.

Existing/In-Progress Tools

- The **Business Subsidy Policy** was amended to include affordable housing in 2021.
- **Density bonuses** were created in the R-5 High Density Residential zoning district that incentivize affordable housing in exchange for increased density in 2022, but a policy has not yet been created.

- The Wayzata Boulevard Corridor Study built community buy-in for allowing a **fourth story** in select areas in exchange for affordable housing units, but a policy has not yet been created. This option had mixed support from the City Council when the Study was adopted in 2023.
- **Accessory dwelling units (ADUs)** were legalized for most properties in the City in 2022.

Proposed Tools & Research

- Establish an **Affordable Housing Policy** to clarify how density and height bonuses may be eligible for certain types of affordable housing developments
- Redevelopment of the **Metro Transit Park and Ride site** at 322 Wayzata Blvd into a project that includes affordable housing is now underway, with City staff partnering with Metro Transit and with Masters' students at the University of Minnesota to begin pre-development research in 2024. The site was discussed as part of the 2040 Comprehensive Plan and the Wayzata Boulevard Corridor Study.
- City staff have not yet engaged in proactive exploration of opportunities with **affordable housing developers** that focus on neighborhood-scale projects, though that will be part of the Park and Ride site redevelopment effort.
- **Inclusionary zoning** has been mentioned as a potential policy in the past, but no meaningful policy work has occurred on this front within the last decade. Due to Wayzata's high land values and consistent development interest, this could be a powerful tool.

Existing Affordable Housing Summary

Maintaining and improving the city's stock of affordable housing units is a key goal of the 2040 Comprehensive Plan and Wayzata's 2024-2026 Strategic Plan. In practice, this requires taking steps in two different areas: preserving existing affordable housing and promoting the construction of new affordable units. This memo focuses on existing housing.

The most recent substantive policy document related to affordable housing preservation and creation is the attached "Affordable Housing Taskforce III Narrative Report and Policy Statement" from 2009. At that time, the task force recommended a focus on single-family owner-occupied housing and adoption of an inclusionary zoning ordinance for new development, recognizing the city's uniquely high land values. The inclusionary zoning ordinance appears to have been drafted, but not passed, and a resulting program for rehabilitation loans was not highly utilized. Neither of these initiatives were implemented successfully. The document also provides a helpful summary of the City's affordable housing efforts prior to 2009.

Regarding recent preservation efforts, City staff have been documenting existing multifamily affordable buildings over the last few months and have created a booklet (attached) with details on each one. This information is meant to help staff and the HRA understand the needs and risks associated with each building.

1. **Recent rent levels** show whether buildings are affordable to those making up to 100% of the Area Median Income (AMI).
2. **Recent permit and inspection data** show whether buildings are in good condition. It also allows City staff to gain an understanding of which buildings may require a significantly expensive maintenance item in the coming years, which has the potential to affect rents.
3. **Zoning information** shows which buildings may be at a higher risk for redevelopment, based on whether there are significantly more units allowed on the property under the Comprehensive Plan than there are today. Conversely, buildings that are much denser than what the Comprehensive Plan or zoning allows are generally at a lower risk for redevelopment.

Other information compiled includes whether buildings are eligible for Low Income Rental Classification, or LIRC (a tax break for affordable rentals) or already participating in the program, unit counts, building age, and ownership information.

In summary, there are 19 multifamily buildings in Wayzata that are affordable, for a total of up to 485 NOAH units. Out of these 19 buildings:

- 1 building (77 units) is federally subsidized senior housing (Boardwalk Apartments).
- 4 buildings (24 total units) are already income restricted and receiving a tax break through LIRC (Boulevard Apartments, Maggie Manor, Maggie Manor Too, Wayzata Village Homes). Some of these are considered Naturally Occurring Affordable Housing (NOAH) because government subsidies or financing are not received, while others would be considered affordable without government subsidies or financing.
- Most other buildings are potentially eligible for LIRC because rents are currently affordable to households earning between 50% and 80% of AMI. There are some buildings that do not have rental data available.

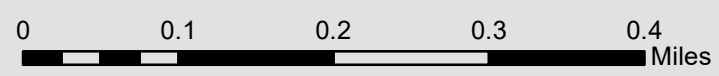
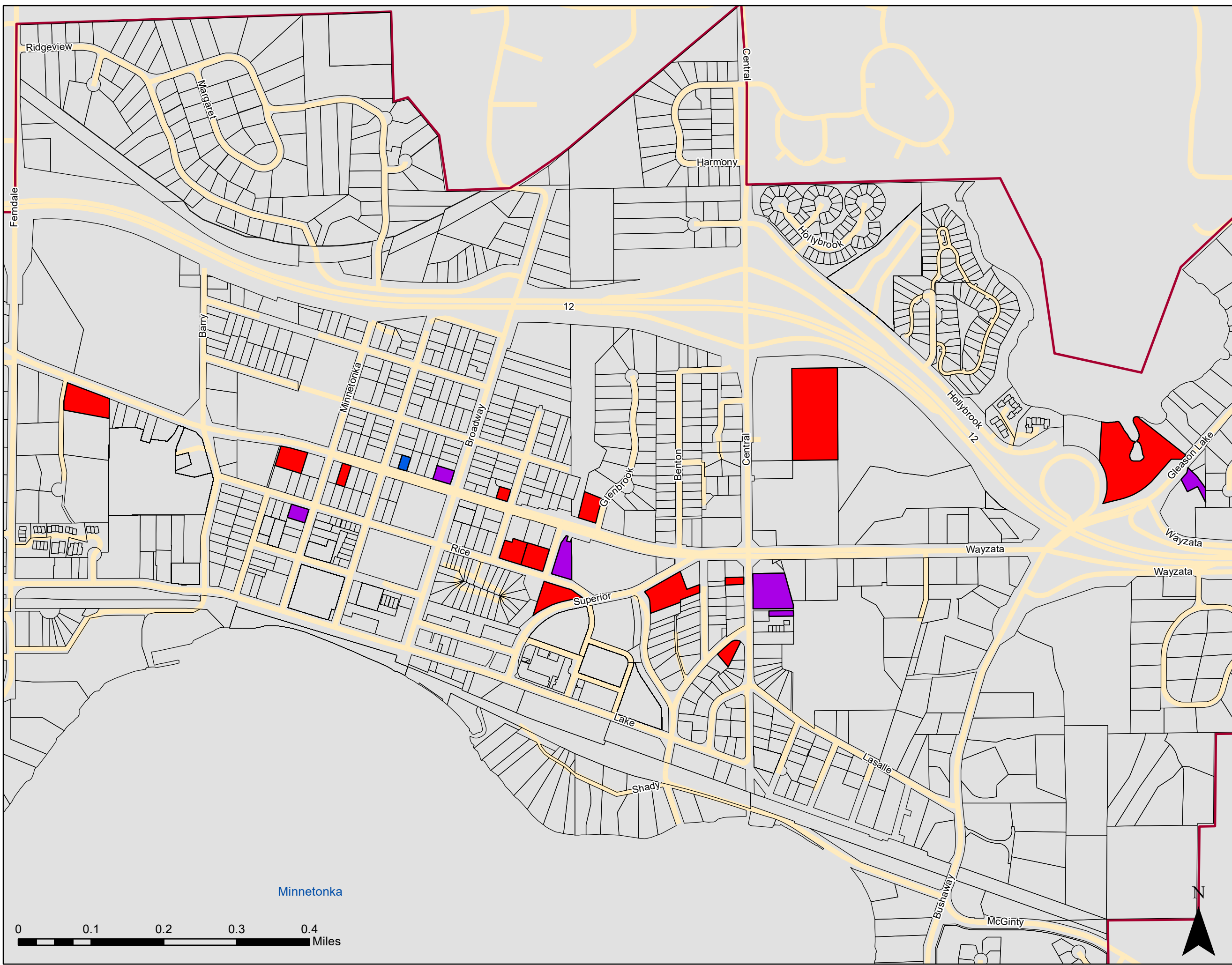
- 5 buildings (232 units) may be at a higher risk for future redevelopment based on their potential density under the Comprehensive Plan. Out of those 5 buildings:
 - Maggie Manor (6 units) is under ownership committed to affordability due to subsidies.
 - Gleason Lake Apartments (77 units) has made steady improvements to the property. The building also appears to be partially affordable depending on the unit.
 - Highland Apartments/150 Wayzata Blvd E (30 units) was built in 2002 and has also received consistent investment over the life of the property.
 - Wayzata Lake Apartments/930 Rice St E (12 units) is on a uniquely shaped site in the Shoreland District, and with height requirements might struggle to reach their allowed 24 units in a redevelopment scenario.
 - Wayzata Woods (107 units) has been subject to resident complaints regarding maintenance, excessive utility fees, and other issues. Staff continues to utilize the rental licensing and inspection program to address individual concerns. The property owner appears to be out-of-state without a local office.

Wayzata is in a unique position regarding existing affordable housing units because few, if any buildings have fallen into disrepair and most affordable multifamily properties are not primed for redevelopment. The focus must then shift to the preservation of affordable rents while continuing to maintain and improve livability. The primary risk and concern is buildings turning over ownership, receiving significant renovations, losing affordability in the process, and displacing existing residents.

The best way to combat this scenario is to secure long-term affordability commitments from owners. There are multiple ways to accomplish this, including participation in LIRC, which the HRA and Council have already enabled for multiple properties – most recently, Maggie Manor Too. In the past, the City has also used tax abatement as a tool for incentivizing that commitment, though use of that tool has become less common in the last decade. Staff continues to explore which buildings would be the best candidates for tax reduction strategies based on risk, prior upkeep, and ownership.

Designation

- NOAH Properties
- Subsidized
- Undetermined



Wayzata Terrace Apartments



Overview		
Name of Building: Wayzata Terrace Apartments	Owner: J Squared Properties John Patch PO Boc 849 Wayzata, MN 55391	Number of Units: 36 Fire Sprinkler/Alarm: unknown Year Built: 1963 PID: 611722410034
Address: 100 Circle A Dr S	Property Manager: Karen Paulsen	Last Sale Date: 1994 Last Sale Price: \$930,000
Planning Information		
Rent and Affordability: \$1195 (1 bedroom) 60% AMI	Zoning: R-5, High Density Residential	Comprehensive Plan Guidance: High Density Residential (12-40 units/acre)
Parcel Size: 1.33 acres	Potential Unit Count: 39.9 units	Redevelopment Risk: The property is already close to its maximum unit count, so risk appears to be low by that standard.
Permit and Inspection History		
Permit Year	Permit Description	Rental Inspection Notes (2023)
2022	Roof replacement	FE in common area /handrails and guardrails in place /units in acceptable condition /emergency lights in common areas ok
2017	Replace baseboard heat UNIT 218	
2017	Replace baseboard heat UNIT 114	
2017	FIRE REPAIR OF 2 UNITS	
2011	Replace water heater	
2001	New doors and windows	

Glenbrook Apartments



Overview		
Name of Building: Glenbrook Apartments	Owner: Bremer Corporation C/O Nancy Lee PO BOX 174 Cortez, CO 81321	Number of Units: 12 Fire Sprinkler/Alarm: unknown Year Built: 1970 PID: 611722140045
Address: 101 Glenbrook Rd N	Property Manager: Marathon Management Sherry Just	Last Sale Date: unknown Last Sale Price: unknown
Planning Information		
Rent and Affordability: \$1175 (1 bedroom) \$1275 (2 bedroom) 50% AMI	Zoning: R-5, High Density Residential	Comprehensive Plan Guidance: High Density Residential (12-40 units/acre)
Parcel Size: 0.58 acres	Potential Unit Count: 17.4 units	Redevelopment Risk: The property is already somewhat close to its maximum unit count, so risk appears to be low by that standard.
Permit and Inspection History		
Permit Year	Permit Description	Rental Inspection Notes (2023)
2023	Remove and replace roof assembly due to trusses failing on detached garage	exit /emergency lights ok - units ok - smoke and co ok
2017	Replace water heater	
2016	Roof replacement	
2012	Window replacement	
2011	Replace 8 decks and added footings	

109 Central Ave S



Overview		
Name of Building: Unknown	Owner: Homeland Investments LLC 120 Chevy Chase Dr Wayzata, MN 55391	Number of Units: 5 Fire Sprinkler/Alarm: unknown Year Built: 1962
Address: 109 Central Ave S	Property Manager: Greg Hoglund	PID: 611722410020 Last Sale Date: 09/2022 Last Sale Price: \$650,000
Planning Information		
Rent and Affordability: \$1295 (1 bedroom) 60% AMI	Zoning: R-3A, Single and Two Family Residential	Comprehensive Plan Guidance: High Density Residential (12-40 units/acre)
Parcel Size: 0.16 acres	Potential Unit Count: 4.8 units	Redevelopment Risk: The property is already over its maximum unit count and nonconforming for the zoning district, so risk appears would be low by that standard.
Permit and Inspection History		
Permit Year	Permit Description	Rental Inspection Notes (2023)
There are no permits on file for this property.		Units in acceptable condition - service fire extinguisher - smoke detectors installed - FE inspected by summit

Maggie Manor



Overview		
Name of Building: Maggie Manor	Owner: Community Legacy Homes/Commonbond Communities 1080 Montreal Ave St Paul MN 55116	Number of Units: 6 Fire Sprinkler/Alarm: both Year Built: 2012 PID: 611722420028
Address: 110 Grand Ave S	Property Manager: Jesse Menton	Last Sale Date: 09/2012 Last Sale Price: \$350,000
Planning Information		
Rent and Affordability: Income restricted, LIRC restricted.	Zoning: Planned Unit Development	Comprehensive Plan Guidance: High Density Residential (12-40 units/acre)
Parcel Size: 0.68 acres	Potential Unit Count: 20.4 units	Redevelopment Risk: The property has an institutional owner with a mission of affordability and the building was constructed in 2012, so risk is very low.
Permit and Inspection History		
Permit Year	Permit Description	Rental Inspection Notes (2023)
2012	building – retaining wall	smoke detection/sprinklers/alarm units in acceptable condition
2012	Building – new	

Wayzata Lake Apartments



Overview		
Name of Building: Wayzata Lake Apartments	Owner: Lindahl Properties LP PO BOX 32 Wayzata MN 55391	Number of Units: 34 Fire Sprinkler/Alarm: alarm Year Built: 1964
Address: 111 Grand Ave S	Property Manager: Renee Minyard	PID: 611722130107 Last Sale Date: 08/1988 Last Sale Price: \$1,500,000
Planning Information		
Rent and Affordability: \$975 (studio) \$1150 (1 bedroom) \$1250 (2 bedroom) 50% AMI	Zoning: R-5, High Density Residential	Comprehensive Plan Guidance: High Density Residential (12-40 units/acre)
Parcel Size: 0.63 acres	Potential Unit Count: 18.9 units	Redevelopment Risk: Property is already denser than is allowed. Risk is low .
Permit and Inspection History		
Permit Year	Permit Description	Rental Inspection Notes (2023)
2018	Replace interior apartment entry doors and common area doors	exit and emergency lights in place - alarm and mag holds in place, units in acceptable condition - common area refresh scheduled for April 2023
2018	Replace water softener	
2017	Roof replacement	
2016	Fire alarm replacement	
2014	Replace waterline from curb	
2014	Replace water heater	

Highland Apartments



Overview		
Name of Building: Highland Apartments	Owner: Highland Apts Of Wayzata LLC John Patch PO BOX 849 Wayzata, MN 55391	Number of Units: 30 Fire Sprinkler/Alarm: unknown Year Built: 1960 PID: 611722230018
Address: 150 Wayzata Blvd E	Property Manager: Karen Paulsen	Last Sale Date: 08/2002 Last Sale Price: \$450,000
Planning Information		
Rent and Affordability: \$1295 (1 bedroom) 60% AMI	Zoning: R-5, High Density Residential	Comprehensive Plan Guidance: High Density Residential (12-40 units/acre)
Parcel Size: 1.28 acres	Potential Unit Count: 38.4 units	Redevelopment Risk: The property is in a desirable location by the middle school and is underbuilt compared to its allowed density, so by these measures risk is moderate .
Permit and Inspection History		
Permit Year	Permit Description	Rental Inspection Notes (2023)
2017	Roof replacement	common areas look ok - FE in place
2003	Replace siding on 3 buildings	
2000	Roof replacement	

Gleason Lake Apartments



Overview		
Name of Building: Gleason Lake Apartments	Owner: Wayzata-Gleason Lake Apts 5290 Villa Way Edina MN 55436	Number of Units: 77 Fire Sprinkler/Alarm: unknown Year Built: 1973
Address: 155 Gleason Lake Rd	Property Manager: Lisa Gravalin	PID: 511722130010 Last Sale Date: unknown Last Sale Price: unknown
Planning Information		
Rent and Affordability: \$1235-1305 (1 br) \$1470-1570 (2 br) \$1695-1770 (3 br) 50-60% AMI	Zoning: R-5, High Density Residential	Comprehensive Plan Guidance: High Density Residential (12-40 units/acre)
Parcel Size: 4.81 acres	Potential Unit Count: 144.3 units	Redevelopment Risk: The property is underbuilt, but site factors like Gleason Lake would impact future building mass. Owners have been investing. Risk is fairly low .
Permit and Inspection History		
Permit Year	Permit Description	Rental Inspection Notes (2023)
2021	Replace 20 windows and 12 patio doors	viewed multiple units, all look ok - common areas in good repair
2019	Garage roof replacement	
2011	Repair existing decks, add footings and support posts.	
2010	New picture window in units 309,409,509	
2010	install washers and dryers in units 309, 409, 509	
2010	New fire alarm system	

Wayzata Village Homes



Overview		
Name of Building: Wayzata Village Homes	Owner: Wayzata Village Homes LLC C/O Hegenes Properties Inc. 6600 City West Parkway, Suite 205 Eden Prairie, MN 55344	Number of Units: 2 Fire Sprinkler/Alarm: unknown Year Built: 2006 PID: 0511722130038
Address: 160 Gleason Lake Rd	Property Manager: Ladonna Hoy	Last Sale Date: none Last Sale Price: none
Planning Information		
Rent and Affordability: Unknown. Former tax abatement property. LIRC restricted.	Zoning: R-5, High Density Residential	Comprehensive Plan Guidance: Medium Density Residential (6-12 units/acre)
Parcel Size: 0.39 acres	Potential Unit Count: 4.68 units	Redevelopment Risk: Property is owned by institution committed to affordability. Risk is low .
Permit and Inspection History		
Permit Year	Permit Description	Rental Inspection Notes (2023)
None	None	smoke and co in place units ok

Wayzata Woods



Overview		
Name of Building: Wayzata Woods	Owner: Wayzata Woods Apartments LLC 18006 Sky Park Cir STE#200 Irvine CA 92614	Number of Units: 107 Fire Sprinkler/Alarm: alarm Year Built: 1965 PID: 511722230004
Address: 155 Gleason Lake Rd	Property Manager: Lisa Gravalin	Last Sale Date: 06/2018 Last Sale Price: \$16,500,000
Planning Information		
Rent and Affordability: \$1054 (1 bedroom) \$1193 (2 bedroom) \$1904 (3 bedroom) 50-60% AMI	Zoning: R-5, High Density Residential	Comprehensive Plan Guidance: High Density Residential (12-40 units/acre)
Parcel Size: 5.06 acres	Potential Unit Count: 151.8 units	Redevelopment Risk: The property is underbuilt, buildings are aging and owner is not local. Redevelopment risk is moderate .
Permit and Inspection History		
Permit Year	Permit Description	Rental Inspection Notes (2022)
2022	Add fire alarm and smoke detectors -240 building	FE ok, signage added to stairs, emergency lights in place.
2021	Replacing 3 existing boilers and chiller replacement – 240 building	230 building: has new elevator, ceiling repair in garage needed, emergency light near unit 103, adjust stairway closers
2019	Roof replacement	240 building: repair garage ceiling, remove door stops from laundry doors, scheduled to get new elevator this year. currently out of order

Wayzata Lakes Apartments



Overview		
Name of Building: Wayzata Lakes Apartments	Owner: Lindahl Properties LP PO BOX 32 Wayzata MN 55391	Number of Units: 29 Fire Sprinkler/Alarm: alarm Year Built: 1969
Address: 412 Wayzata Blvd E	Property Manager: Renee Minyard	PID: 611722240052 Last Sale Date: 04/1998 Last Sale Price: \$1,400,000
Planning Information		
Rent and Affordability: \$900 (studio) \$1150 (1 bedroom) \$1250 (2 bedroom) 50% AMI	Zoning: R-5, High Density Residential	Comprehensive Plan Guidance: High Density Residential (12-40 units/acre)
Parcel Size: 0.71 acres	Potential Unit Count: 21.3 units	Redevelopment Risk: Property is already denser than is allowed and owners are making investments. Risk is low .
Permit and Inspection History		
Permit Year	Permit Description	Rental Inspection Notes (2023)
2018	Replace interior apartment entry doors and common area doors	FE in common halls ok - Alarm with SD in common areas - Several units inspected. Smoke detectors in place. All electric appliances. Common area refresh to start April 23'
2018	Water heater and water softener replacement	
2017	Siding replacement	
2017	Roof replacement	
2017	Fire alarm installation	

Maggie Manor Too



Overview		
Name of Building: Maggie Manor Too	Owner: Maggie Manor Too LLC 6600 City West PKWY STE 205 Eden Prairie MN 55344	Number of Units: 10 Fire Sprinkler/Alarm: unknown Year Built: 1952 PID: 611722240030
Address: 426 Rice St E	Property Manager: Hegenes Properties Jordan Lamotte	Last Sale Date: 2022 Last Sale Price: unknown
Planning Information		
Rent and Affordability: LIRC restricted.	Zoning: C-1B, Mixed Use Residential	Comprehensive Plan Guidance: High Density Residential (12-40 units/acre)
Parcel Size: 0.3 acres	Potential Unit Count: 9 units	Redevelopment Risk: Property is already denser than is allowed and property is enrolled in LIRC program. Risk is low .
Permit and Inspection History		
Permit Year	Permit Description	Rental Inspection Notes (2023)
2023	Front door replacement	exit signs/emergency lights in common areas - exterior painting and common area refresh scheduled for summer 23' - smoke and CO'S in units ok - units in acceptable condition
2022	Build retaining wall	
2011	Water heater replacement	

510 Wayzata Blvd E



Overview		
Name of Building: Unknown	Owner: John Patch 3071 Lake Shore Blvd Wayzata MN 55391	Number of Units: 4 Fire Sprinkler/Alarm: unknown Year Built: 1966
Address: 510 Wayzata Blvd E	Property Manager: Karen Paulsen	PID: 611722240045 Last Sale Date: 07/1989 Last Sale Price: \$150,000
Planning Information		
Rent and Affordability: \$1595 (2 bedroom) 60% AMI	Zoning: R-3A, Single and Two Family Residential	Comprehensive Plan Guidance: Central Core Residential (3-6 units/acre)
Parcel Size: 0.24 acres	Potential Unit Count: 1.44 units	Redevelopment Risk: Property is already denser than is allowed. Risk is low .
Permit and Inspection History		
Permit Year	Permit Description	Rental Inspection Notes (2023)
2012	Roof replacement	FE in common area, Landlord to get RPZ on annual service plan, units in acceptable condition

613 Wayzata Blvd E



Overview		
Name of Building: Unknown	Owner: 613 Wayzata Blvd LLC 202 Superior Blvd Wayzata MN 55391	Number of Units: 9 Fire Sprinkler/Alarm: unknown Year Built: 1930
Address: 613 Wayzata Blvd E	Property Manager: Right Move Properties Amanda Weir	PID: 611722130052 Last Sale Date: 02/2017 Last Sale Price: \$500,000
Planning Information		
Rent and Affordability: Unknown (formerly affordable)	Zoning: R-5, High Density Residential	Comprehensive Plan Guidance: High Density Residential (12-40 units/acre)
Parcel Size: 0.3 acres	Potential Unit Count: 9 units	Redevelopment Risk: Property is already denser than is allowed. Risk is low . However, renovations may be bringing rents up.
Permit and Inspection History		
Permit Year	Permit Description	Rental Inspection Notes (2023)
2023	Update plumbing for kitchens and bathrooms	replace in unit smoke and CO detectors that currently don't work. multiple vacant units. repair plaster. install address numbers. follow up in June 2023
2023	Renovate 8 units kitchen and bathrooms. Making updates to cabinetry, flooring, wall patching and painting, electrical circuits and plumbing.	
2015	Roof replacement	
2008	32 windows replacement	

Boulevard Apartments



Overview		
Name of Building: Boulevard Apartments	Owner: Boulevard Apartments LLC C/O Commonbond Communities 1080 Montreal Ave St Paul MN 55116	Number of Units: 6 Fire Sprinkler/Alarm: unknown Year Built: 1967 PID: 611722130056
Address: 645 Wayzata Blvd E	Property Manager: Jesse Menton	Last Sale Date: 10/2009 Last Sale Price: \$376,565
Planning Information		
Rent and Affordability: Unknown. Formerly tax abatement property. LIRC restricted.	Zoning: R-5, High Density Residential	Comprehensive Plan Guidance: High Density Residential (12-40 units/acre)
Parcel Size: 0.31 acres	Potential Unit Count: 9.3 units	Redevelopment Risk: Site constraints would restrict future building mass. Risk is low .
Permit and Inspection History		
Permit Year	Permit Description	Rental Inspection Notes (2023)
2020	Replace water heater	Landlord to service common area F.E for next year - smoke detection in place for alarm - units in acceptable condition
2009	Replace 6 furnaces, 6 AC units, 1 Water heater	
2009	Replace 6 tub/showers, 12 sinks, 1 water heater. 6 dishwashers	
2009	Replace windows, replace decks, repair siding, interior remodel	
2009	Roof replacement	

Underhill Apartments



Overview		
Name of Building: Underhill Apartments	Owner: John Patch 3071 Lake Shore Blvd Wayzata MN 55391	Number of Units: 10 Fire Sprinkler/Alarm: unknown Year Built: 1959
Address: 725 Wayzata Blvd E	Property Manager: Karen Paulsen	PID: 611722130071 Last Sale Date: 04/1984 Last Sale Price: \$295,000
Planning Information		
Rent and Affordability: \$1295 (1 bedroom) 60% AMI	Zoning: R-5, High Density Residential	Comprehensive Plan Guidance: High Density Residential (12-40 units/acre)
Parcel Size: 0.17 acres	Potential Unit Count: 5.1 units	Redevelopment Risk: Property is already denser than is allowed. Risk is low .
Permit and Inspection History		
Permit Year	Permit Description	Rental Inspection Notes (2023)
2022	Masonry repair	common areas ok
2013	replace water heater	

Wayzata Lake Apartments



Overview		
Name of Building: Wayzata Lake Apartments	Owner: Lindahl Properties LP PO BOX 32 Wayzata MN 55391	Number of Units: 15 Fire Sprinkler/Alarm: alarm Year Built: 1963
Address: 815 Rice St E	Property Manager: Renee Minyard	PID: 611722130035 Last Sale Date: unknown Last Sale Price: unknown
Planning Information		
Rent and Affordability: \$1150 (1 bedroom) \$1250 (2 bedroom) 50% AMI	Zoning: R-5, High Density Residential	Comprehensive Plan Guidance: High Density Residential (12-40 units/acre)
Parcel Size: 0.59 acres	Potential Unit Count: 17.7 units	Redevelopment Risk: Property is near allowed density and owners are investing. Risk is low .
Permit and Inspection History		
Permit Year	Permit Description	Rental Inspection Notes (2023)
2018	Replace interior entry doors and common area doors	exit and emergency lights in place. units in acceptable condition. common area refresh scheduled for April 2023
2018	Replace water softener	
2017	fire alarm replacement	
2015	Replace hot water boiler	
2011	Replace 100 gallon water heater	
2009	New water line to building	
2008	Roof replacement	

930 Rice St E



Overview		
Name of Building: Unknown	Owner: Lindahl Properties LP PO Box 32 Wayzata MN 55391	Number of Units: 12 Fire Sprinkler/Alarm: alarm Year Built: 1954
Address: 930 Rice St E	Property Manager: Renee Minyard	PID: 611722420027 Last Sale Date: 1988 Last Sale Price: \$666,000
Planning Information		
Rent and Affordability: Unknown	Zoning: R-5, High Density Residential	Comprehensive Plan Guidance: High Density Residential (12-40 units/acre)
Parcel Size: 0.83 acres	Potential Unit Count: 24.9 units	Redevelopment Risk: Property is underbuilt. Risk is moderate .
Permit and Inspection History		
Permit Year	Permit Description	Rental Inspection Notes (2023)
2018	Replace interior entry doors and common area doors	Maintain gas meter accessibility in mechanical room-patch concrete rear entry stairs - alarm in place. exit and emergency lights in place. units in acceptable condition. carpet replaced in common area. no other work planned
2009	replace 11 furnaces	
2008	reroof	

1078 Circle Dr E



Overview		
Name of Building: Unknown	Owner: John Patch 3071 Lake Shore Blvd Wayzata MN 55391	Number of Units: 4 Fire Sprinkler/Alarm: unknown Year Built: 1967
Address: 1078 Circle Dr E	Property Manager: Karen Paulsen	PID: 611722410049 Last Sale Date: 07/1995 Last Sale Price: unknown
Planning Information		
Rent and Affordability: \$1595 (2 bedroom) 60% AMI	Zoning: R-3A, Single and Two Family Residential	Comprehensive Plan Guidance: Central Core Residential (3-6 units/acre)
Parcel Size: 0.34 acres	Potential Unit Count: 2.04 units	Redevelopment Risk: Property is already denser than is allowed. Risk is low . However, investments do not appear to be being made.
Permit and Inspection History		
Permit Year	Permit Description	Rental Inspection Notes (2023)
2005	Roof replacement	Landlord to get RPZ on annual service plan units in acceptable condition

Wayzata Park and Ride Redevelopment Project Update

January 24, 2024

Over the course of the Wayzata Boulevard Corridor Study, City staff and Metro Transit began to earnestly engage in conversation about the future of the underutilized Metro Transit Park and Ride site at 322 Wayzata Blvd E. Metro Transit started their due diligence activities and have begun to clarify what their priorities are for potential redevelopment of the site.

Staff submitted a proposal to the University of Minnesota this fall, after the Corridor Study was adopted, for pre-development research regarding the site knowing that it was going to be a priority in the 2024-2026 Strategic Plan. Three students accepted the City's proposal and the City Council approved a memorandum of agreement regarding the project at their January 9 meeting. The memorandum is attached for the HRA's review.

The students are Masters of Urban and Regional Planning students at the University of Minnesota Humphrey School of Public Affairs. Each year, students engage in capstone projects with local public stakeholders. These projects are intended to be opportunities for students to utilize the skills learned in their Masters program on a project in a local community. The most common clients for these capstones are government agencies such as municipalities, counties, and regional planning organizations.

While direct coordination between City staff and Metro Transit will be a long process, even with assistance from the students this spring, both parties are mission-minded about this site and want to see some form of affordable housing in the final plan. Staff and students will be exploring different development scenarios for the site and how those might fit with different affordable housing finance methods, as well as Metro Transit's infrastructure needs at the site. The HRA will be called upon to offer their expertise and review throughout the entire redevelopment timeline, which will extend beyond the University project.

Though dates are still being finalized, the HRA is encouraged to attend the students' final presentation to City Council in May. The project is intended to be the foundation for future redevelopment efforts for this site as guided by the Wayzata Boulevard Corridor Study and 2040 Comprehensive Plan. Final deliverables will include an analysis of Metro Transit's goals for the site, financial feasibility of various redevelopment scenarios, study of potential affordable housing opportunities, overall site planning options and zoning considerations, and recommendations on future community engagement opportunities.

**Memorandum of Agreement
Capstone Workshop
University of Minnesota
Humphrey School of Public Affairs**

Date: 12/19/23

Project Title or Focus: Wayzata Park and Ride Redevelopment Capstone Project

Client Organization: City of Wayzata

Client/Partner Point of Contact (name, telephone, email):

- Emily Goellner, 952-404-5312, egoellner@wayzata.org
- Valerie Quarles, 952-404-5323, vquarles@wayzata.org

Student Consultants (names):

- Zachary Farmer
- Dwight Klingbeil
- Aidan Breen

Primary Student Contact (name, email):

- Zachary Farmer, farne200@umn.edu

Capstone Course Instructor:

- Peter Brown, peter@peterhendeebrown.com

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Minneapolis, MN 55455
[\(email\)](#)

THIS MEMORANDUM OF AGREEMENT (this Agreement) is made by and among the Client referred to above and the Student Consultants. The Regents of the University of Minnesota (the University) is not a party to this Agreement and shall have no obligation to perform the services called for under the Project.

Project Purpose:

Pre-development research on feasibility of mixed-use development on a park-and-ride site at 322 Wayzata Blvd, currently owned by Metro Transit.

Problem/Opportunity Statement Driving this Study:

Propose redevelopment site plan (aiming for affordable housing) for an underused lot that identifies key benefits and opportunities through community engagement, literature review, site analysis, and collaboration with potential funding partners.

Research Questions Pursued in this Study:

1. What are stakeholders' desired outcomes for this site?
 - a. City of Wayzata
 - i. Varied city staff/officials may have different goals (Ex: City Manager vs. Planning staff)
 - b. Metro Transit
 - i. Define Metro Transit's goals for transit-oriented use at this site?
 - ii. Does Metro Transit need transit/employee facilities at the site?
 - iii. What are Metro Transit's ownership intentions (ground lease)?
 - c. Community Members
 - i. Targeted interviews at the recommendation of City Staff
2. How could the site be arranged for a financially viable, zoning- and/or design-compliant mixed-use development?
 - a. Explore potential variances or accommodations for the site if we cannot meet all three goals
 - b. Explore site assembly with adjacent parcels
3. What funding models are feasible for this project?
 - a. TIF, Affordable Housing credits, Transit-Oriented Development funds, Ground Lease
 - b. What levels of affordability are feasible for the model & location?
4. What are recommendations for the City of Wayzata to engage with Metro Transit and community members regarding the site moving forward?

Deliverable(s) Presented at Conclusion of the Study:

1. Single report on desired outcomes and feasibility of various options for redevelopment of 322 Wayzata Blvd site
2. Presentation to stakeholders at the end of project with visual component

Project Start Date: 1/16/24

Scope of Work (key activities - including methods of data collection - that the Capstone team will complete in collecting, analyzing and reporting findings from the data)

1. Final report will include:
 - a. Coordination with Metro Transit on their desired outcomes
 - i. Feasibility of ground lease agreement with Metro Transit
 1. Alternatives, if Ground Leasing no longer desired or feasible

- ii. Understand and document Metro Transit needs on site
- iii. Research precedent examples, if any, in Twin Cities or beyond
- iv. Compare with similar sites in other metropolitan areas as applicable
- b. Feasibility study of various options
 - i. Mixed-use development options
 - 1. Research similar developments in other Twin Cities areas (neighborhood-scale development)
 - 2. Align with zoning code
 - ii. Affordable housing
 - 1. Consultation with affordable housing developer(s) to discuss viable options
 - iii. Site configurations/site plans
 - 1. Incorporating design standards, zoning requirements, and other relevant information (ex: Wayzata Boulevard Corridor Study data, Metro Transit TOD guidelines)
 - 2. Consideration of alternatives that would include adjacent properties.
- c. High-level community engagement plan with neighbors, Metro Transit, and any other stakeholders brought in
 - i. Results from interviews with stakeholders
 - ii. Future high-level community engagement strategy

Key Dates and Deliverables (key dates when activities and interim/final products will be completed and provided to the client)

- MOA draft to be delivered before the 12/5 meeting.
- Final MOA to be delivered by 12/13 by 12 p.m. for city council meeting packet
- Set dates for Metro Transit meeting in late January
- Site visit in late January, visiting City Hall and other related sites
- Set goal dates for specific tasks from Scope of Work in consultation with client
- Final report and presentation delivered in late April/early May. Final date to be determined with partner by late March.
 - Potential presentation at May 7th Council workshop

Fees and Costs to City of Wayzata: None. All fees, costs and expenses related to the Project will be born solely by the **Student Consultants** as part of their work as students at the University of Minnesota and with the Capstone Workshop.

Project End Date: 5/8/24

Client Responsibilities

By participating in the Capstone Workshop program, the Client agrees to:

- Designate Valerie Quarles and Emily Goellner as the primary client contacts;

- Provide clear instructions for and expectations of the students;
- Provide students with any needed information on an agreed upon schedule;
- Attend meetings with students and/or instructor(s) as needed, subject to the work schedules of all involved;
- Be as flexible with schedules to accommodate the students' scheduling needs;
- Willingly share organizational information with the students that will help them to achieve desired results;
- Attend the final presentation at Wayzata City Hall, being sure to invite key organizational leaders and other external stakeholders that would benefit from this information.
 - Select date for presentation by end of March
- Complete an Evaluation Form, including the Client's evaluation of processes, deliverables and project presentation and submit to instructor (name and email listed above) no later than May 8th, 2024. A copy of the evaluation form is attached and marked as Exhibit A.

Student-Consultant Team Responsibilities:

The Student Consultant Team collectively agrees to:

- Designate Zachary Farmer as the primary student contact;
- Provide client with deliverables as described above;
- Present findings to client in the form of both an oral presentation and a written format that addresses the needs of the client;
- Provide the client with a project update at least every 4 weeks;
- Ask specific questions of the client to make sure you are on track with expectations.

Joint Responsibilities

- Return all email messages or phone calls from the client or student consultants within 1-2 business days;
- Be on time for all Project meetings;
- Be professional – treating each other as professionals;
- Client and Students have the right to utilize the final product deliverables without prior approval from the other party (unless specified otherwise in this agreement), at no further cost to either party.

Use of Project Materials

The Instructor has the right to review and approve the delivery to the Client of all written reports and other deliverables under this Agreement.

Unless the Student Consultants and the Client otherwise agree in writing:

- (i) the Client has permission to use the materials prepared under the Project and to reproduce or publicly display (e.g., post on the internet) the materials in connection with Client's activities;
- (ii) the Student Consultants shall jointly own the intellectual property rights, including copyright, in the materials and any other intellectual property developed as part of the Project, subject to the policies of the University.
- (iii) the final written product shall be stored in the University of Minnesota digital conservancy, making it publicly available for review and use by educators, policy-makers, and practitioners.

General Terms

The Client acknowledges its understanding that the services and materials to be provided under this Agreement are provided by post-secondary students in connection with their fulfilling a course requirement. The student consultants and the University expressly disclaim all express and implied warranties concerning those services and materials, including the implied warranties or merchantability, fitness for particular purpose and non-infringement. The client accepts such services and materials As Is, With All Defects.

The Client, the student consultants, and the University release one other from all suits, claims, liabilities, or causes of action, of whatever nature, in contract or tort, arising out this Agreement, including the performance of services and the preparation and use of the deliverables. Exceptions to this policy may be negotiated between the students and the client, subject to the approval of the instructor and the associate dean.

Acceptance

By signing below, the following individuals agree to the terms of this Agreement:

Students:

Date

Date

Date

Client:

City of Wayzata,
a Minnesota Municipal corporation

By: _____
Johanna Mouton, Mayor

By: _____
Jeffrey Dahl, City Manager

Exhibit A
Client Evaluation of Capstone Project and Team
 (To be submitted to the Instructor after receipt of final presentation and report)

Project Title:

Date:

Client Name, Organization, and Contact information:

Student Consultants:

Final Evaluation: As agreed by parties in the signed Memorandum of Agreement (MOA), the client will provide a final evaluation of the students' performance in each of the following areas on a scale of 1 – 5 (1 = unacceptable; 2 = poor; 3 = acceptable; 4 = good; 5 = exceptional).

Appropriateness and effectiveness of communication (e.g. progress reports, frequency, etc)	Score (1-5): Comments:
Command of subject matter and project goals	Score (1-5): Comments:
Professionalism	Score (1-5): Comments:
Timeliness in meeting project goals	Score (1-5): Comments:

Deliverables meeting the standards agreed upon in the MOA	Score (1-5): Comments:
Quality and clarity of the final class presentation	Score (1-5): Comments:
Overall performance in meeting the project goals	Score (1-5): Comments:
Additional Comments:	



**City of Wayzata
Housing and Redevelopment Authority
Agenda Report**

MEETING DATE: January 31, 2024	AGENDA ITEM: 5.e
TITLE: Update of Development Projects and Other HRA-related Initiatives	
PROPOSED MOTION: N/A	
PREPARED BY: Emily Goellner, Assistant Executive Director	
REVIEWED BY: Jeffrey Dahl, Executive Director	

ACTION REQUESTED:

No action is required.

FINANCIAL OR BUDGET CONSIDERATION:

N/A

BACKGROUND:

Staff will provide an update at the meeting of on-going development projects and other items.

ATTACHMENTS:

None