



## Minutes

### Roseville Economic Development Authority (REDA)

City Council Chambers, 2660 Civic Center Drive

Monday, September 20, 2021 – 6:00 p.m.

**1. Roll Call**

President Dan Roe called to order a meeting of the Roseville Economic Development Authority (REDA) in and for the City of Roseville at approximately 6:00 p.m. Voting and Seating Order: Willmus, Etten, Groff, Strahan, and Roe.

**Present:** President Dan Roe and Board Members Robert Willmus, Jason Etten, Wayne Groff, and Julie Strahan.

**Others Present:** Attorney Martha Ingram, Executive Director Pat Trudgeon, Assistant City Manager Rebecca Olson, Community Development Director Janice Gundlach, and Housing & Economic Development Program Manager Jeanne Kelsey

**2. Pledge of Allegiance**

**3. Approve Agenda**

The agenda, as presented, was approved without objection.

**4. Public Comment**

**5. Business Items**

**a. Authorize Contract with Ramsey County Housing and Redevelopment Authority for Community Development Block Grant (CDBG) Funds for the Marion Street Trail**

Housing & Economic Development Program Manager Kelsey provided a brief summary of this request as detailed in the staff report and attachments dated September 20, 2021.

President Roe offered an opportunity for public comment with no one appearing to speak to this issue.

Groff moved, Etten seconded, adoption of REDA Resolution No. 96 entitled, "Resolution Approving Community Development Block Grant Program Agreement between the Roseville Economic Development Authority and Ramsey County Housing and Redevelopment Authority."

**Ayes: 5**

**Nays: 0**

**Motion carried.**

**b. Receive Information Regarding Inclusionary Housing/Mixed-Income Housing and Just Cause Ordinances**

Community Development Director Gundlach provided a brief summary of this request as detailed in the staff report and attachments dated September 20, 2021.

Ms. Gundlach reviewed the topics around a Inclusionary Housing/Mixed-Income Housing Ordinance with the Board.

Member Willmus indicated he was open to exploring the inclusionary housing practices. One thing he wanted to know is how Roseville is positioned in comparison to some of their peer communities with respect to what the City has available in terms of affordable housing, the number of units that have been built in recent years, and perhaps contrast to other communities. He would like to know, from a numbers or metrics perspective, where the City of Roseville is in terms of making affordable housing available compared with some of their peer cities.

Ms. Gundlach explained the City has created hundreds of units of affordable housing over the last couple of years. Most of that has been in the fifty to sixty percent of the area median income (AMI) range. There have been multiple projects encompassing eight hundred units, which range from senior to family general occupancy. She thought that was unique when looking at the other cities. The City has created so many units that the City has met its affordable housing unit goal established in the 2040 Comprehensive Plan, with one exception, which is the thirty percent AMI units. She was not sure if the Inclusionary Housing Ordinance exists to take care of that need.

Member Strahan asked what the impact would be if the City were to enact an ordinance around inclusionary housing.

Ms. Gundlach explained it would really depend on what the details of the ordinance might be, or policy. She reminded the EDA that the City already has a public finance assistance policy. The Board could make a determination under that public finance policy that anytime public finance assistance is being provided for housing the City would impose an affordability requirement. She believed Bloomington's Ordinance is sort of a mandate. She reviewed current ordinances and the requirements of them. She noted it depends on what the EDA is trying to solve and what the interests are of the EDA in terms of creating new affordable units or preserving existing affordable units. There are many different ways that a policy or an ordinance could be drafted.

Member Strahan indicated she was very interested in preserving units that the city already has because that is a big concern of her and the community. She wanted to make sure that the EDA was aware of an article that was in the *StarTribune* over the weekend indicating that the Twin Cities has the worst housing shortage in the nation.

Member Strahan asked if the EDA were to implement one of these policies, would it help staff to do its job better.

Ms. Gundlach indicated she did not know the answer to that.

Member Groff reiterated Member Willmus' comment regarding needing data of where the City is at on affordability. He would also like to know how this plays out in other suburbs. He wants to look at the triggers closely and determine how those things would fit in. Thirty percent AMI housing is very difficult and also a difficult group of people to make sure they are successful in their living condition and there would need to be other services provided with that. One of the reasons he liked the idea of not having one building for people that are on the lower income bracket, is that it provides a mix and makes a community with a variety of people living in it. He thought that was healthier in the bigger picture rather than putting people with particular needs clustered together. He thought good information was provided and it was a good start.

Member Etten indicated when this talks about triggers, it generally is talking about some sort of tax assistance from the City. If they look at a situation where a private developer is buying an existing naturally occurring affordable housing unit, but do not ask the City for anything, the City would essentially have its hands tied. He wondered if that is correct.

Ms. Gundlach believed that was accurate.

Member Etten agreed with Member Groff that thirty percent would need support, but he did not agree that mixed-income would be the best place for residents at 30% AMI. He would be concerned about putting thirty percent AMI in a mixed unit because he was not sure if the services and resources would be there.

President Roe agreed. He thought the challenge always is, not only on the funding side but also on the expertise side and a lot of entities that manage market rate apartment properties don't necessarily have the expertise to work with the affordable side of things. He thought this was something to be mindful about and thoughtful of in terms on how the City approaches this. He thought the challenge was to figure out if the City's real issue, or the place they want to focus on, is the thirty percent AMI. He wondered if this is the best tool to get at that. He thought it made sense to look at a more sophisticated housing study and market analysis as a part of their next opportunity to do that to inform decisions that the Board might make along these lines. He liked the concept but thought there was more that the Board needs to know before they get to a point of putting something in place.

Ms. Gundlach reviewed the topics around a Just Cause Ordinance with the Board.

Member Strahan felt like it was the least the City could do for people to have seven days to know they are being evicted. She felt like, at the minimum, this is something the City could offer and afford the people that live in the City, this small amount of protection. She really liked the idea of the ninety days, especially that includes them with the possibility of having the opportunity to intervene. She thought both of those will afford people some peace of mind.

Member Etten asked if the ninety-day notice is before it has changed hands or after it has changed hands.

Ms. Gundlach thought the ninety days starts when written notice is provided to the tenants that ownership change is going to occur. It is not necessarily related to the date that the sale actually happens.

Ms. Gundlach explained the only concern she has on the seven-day notification, the St. Louis Park model, is in theory, it was a very good idea for people to have notification, but she was not sure what remedy the City would seek if they did not do it. She was always cautious about having a requirement that they do not have any way to correct if someone does not follow it. She would like to investigate that with the City Attorney.

Member Willmus thought if one of their goals is to see what they can do with tools available to them to retain and preserve naturally occurring and affordable housing, the notice of sale aspect makes sense with him. If the City was going to delve into greater issues, more broadly, with respect to some of this, he would certainly want to bring in the Multi-Family Housing Association to get their perspective on some of these things. The other side of it that he wants to know is what does the City see in Roseville as trends in terms of evictions that they might rule as objectionable or improper. That is something he would want to know as they look further into it. He thought there was a focus and aspect that the EDA and even the Council has sought to do, which is to preserve naturally occurring affordable housing and he thought this might be a tool that helps the City do that. He would like to learn more and see what they might be able to do there.

Ms. Gundlach indicated she did reach out to the Multi-Family Housing Association and not surprisingly, they are very opposed to Just Cause Ordinances and made that very clear to her. She also wanted to reach out to MAHCO (Minnesota Association of Housing Code Officials), because they have a slightly different perspective, and they did not have a formal position either on these ordinances. She also asked the City Attorney if he could figure out how many evictions actually occurred in Roseville, and it was several thousand over a couple year period in Ramsey County but in the two years she

has been with the City she has not been made aware of one tenant who has claims that they were removed illegally.

Member Etten asked if Just Cause and the New Brighton Tenant Notification would be seen as two different vehicles.

Ms. Gundlach indicated that was correct. She explained she only asked the Multi-Family Housing Association and MAHCO about Just Cause. She noted she did not ask either about tenant protection. She explained she also reached out to both New Brighton and Brooklyn Park who have had them in place the longest to see if they have gotten a challenge or a push back and they have not and they have had multiple change overs happen who followed the ordinance.

Member Etten thought the New Brighton policy made more sense for Roseville's goals.

President Roe thought it would be interesting to talk to St. Louis Park about their simpler notice of eviction ordinance to see if that is different to enforce than the Just Cause Ordinance. He did take a closer look at the New Brighton Ordinance again and there are two separate ninety-day periods- one to the City prior to marketing for sale and one to tenants after transfer of ownership, with different objectives and requirements for each. He reviewed the ordinance with the Board.

President Roe thought the ninety-day notice prior to sale had been talked about in relation to manufactured housing sites as well because those are sometimes naturally occurring affordable housing and often times, ownership changes and there are issues. His suggestion is if they are looking at this in terms of multi-family, then they also think about it in terms of manufactured homes. He noted these items, as well as EDA-requested information will be coming before the EDA again at a future meeting.

- c. **Receive Information and Provide Direction on a Land Trust Program**  
Housing & Economic Development Program Manager Kelsey provided a brief summary of this request as detailed in the staff report and attachments dated September 20, 2021.

Member Etten thanked Ms. Kelsey for bringing this forward. He was in support of doing a land trust. He indicated what it seems from reading through the information is that the Habitat program is the most flexible and supportive one and maybe leaves the City with less responsibility and lower developer fees and costs. He thought this would allow them to get to more and do more with less risk to taxpayers and more benefit to the future owner. He noted that would be the direction he would lean. He asked if there is an option in this for purchasing open land.

Ms. Kelsey indicated it is the City's intention to go after open market homes that would be listed on the market but would not get into competitive bid. The housing replacement program is one where staff identified homes that really should not have any reinvestment put into them with an opportunity to remove the home but then make that lot available to a non-profit to be able to build a home own for homeownership.

Member Etten asked if this would include a piece of land that has no house currently on it.

Ms. Kelsey explained staff would have to look at the price of the land in order to determine if it was financially feasible.

Member Groff indicated his understanding of a land trust is the homeowner would be allowed to stay for a set number of years even if their income did go up and then also if they decided to sell after a set number of years the owner would get a portion of the profit. He asked if that was correct.

Ms. Kelsey indicated it was.

Member Groff thought this was pretty straightforward.

Member Willmus explained one of the aspects of this program that the City would be looking to do, whether they choose RONDO or Habitat for Humanity, is to lock in for ninety-nine years. He was supportive of this and doing it in a way that is the most cost effective for the City of Roseville. He thought this would push him towards Twin City Habitat for Humanity.

Member Strahan agreed with all the statements. She felt that given what was presented, the Twin Cities Habitat for Humanity is less liability to the City and hopefully less on staff and more revolving on that organization.

President Roe stated in terms of looking at vacant properties, he thought the City would have to look at a policy regarding price points to consider per potential home plot, depending on the density of the property.

**d. Review a Preliminary Budget and Adopt a Resolution Requesting a Preliminary Tax Levy Collectible in 2022.**

Community Development Director Gundlach provided a brief summary of this request as detailed in the staff report and attachments dated September 20, 2021.

President Roe offered an opportunity for public comment with no one appearing to speak to this issue.

Etten moved, Strahan seconded, adoption of REDA Resolution No. 97 entitled, "Resolution Requesting a Tax Levy in 2021 Collectible in 2022."

**Ayes: 5**  
**Nays: 0**  
**Motion carried.**

6. **Informational Item**

a. **Minnesota Housing 2022-2023 Affordable Housing Plan**

Housing and Economic Development Program Manager Kelsey indicated every two years Minnesota Housing releases its two-year affordable housing plan. The \$4 billion plan identifies activities the agency will carry out over the next two years and provides an estimate of resources it expects to make available.


President Roe indicated this is an information item and the Board can email staff with questions or comments.

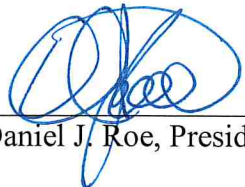
7. **Adjourn**

Groff moved, Willmus seconded, adjourning the REDA meeting at approximately 7:10 p.m.

**Ayes: 5**  
**Nays: 0**  
**Motion carried.**

ATTEST:

  
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Pat Trudgeon, Executive Director

  
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Daniel J. Roe, President