

**Minnetonka Economic Development Advisory Commission
Virtual Meeting
Minutes**

April 29, 2021

1. Call to Order

Chair Yunker called the meeting to order at 6 p.m.

2. Roll Call

EDAC commissioners Ann Duginske Cibulka, Maram Falk, Lee Jacobsohn, Melissa Johnston, Steven Tyacke, and Charlie Yunker were present. Jay Hromatka was absent.

Councilmember Deb Calvert was present.

Staff present: Community Development Director Julie Wischnack, Economic Development and Housing Manager Alisha Gray, Economic Development Coordinator Rob Hanson, Financial Consultant Keith Dahl of Ehlers and Associates, and IT Assistants Gary Wicks and Joona Sundstrom.

3. Approval of EDAC March 11, 2021 Meeting Minutes

Tyacke motioned, Jacobsohn seconded the motion to approve the March 11, 2021 meeting minutes as submitted. Duginske Cibulka, Falk, Jacobsohn, Johnston, Tyacke, and Yunker voted yes. Hromatka was absent. Motion passed.

4. Doran Development at 5959 Shady Oak Road

Gray gave the staff report. She requested commissioners review the financing request and contract for private development and make a recommendation.

Tyacke asked why the number of units was reduced from 375 to 354. Mr. Tony Kuechle, of the applicate for Doran Development, explained that the number of units was reduced to allow a greater setback on the north side and to create 20 feet of right-of-way, which was requested by engineering staff to provide for a future turn lane if needed.

Tyacke asked for the rationale of having none of the one-bedroom-plus-den units being affordable. Mr. Kuechle explained that there would be affordable one-bedroom-plus-den units. Chair Yunker confirmed with Gray that the one-bedroom-plus-den units would be included in the one-bedroom unit category. Gray stated that the one-bedroom-plus-den units could be identified separately from the one-bedroom units.

Duginske Cibulka felt that the developer listened to commissioners' feedback. She was excited that there would be a mix of units and a variety of AML ranges. The assistance is

a small amount in exchange for the number of affordable housing units. The proposal would be a good return on the investment. The project location is great.

Johnston agrees with Duginske Cibulka.

Falk commended the applicant for utilizing the energy design assistance provided by utility companies. She likes the proposal's use of solar energy and rain gardens.

Tyacke thought the design is impressive. He likes the different heights near the entryway. It is an attractive building.

Chair Yunker concurred. The proposal would provide a great level of affordability for the amount of assistance. The design looks great.

Jacobsohn motioned, Duginske Cibulka seconded the motion to recommend that the city council approve the contract agreement included in the staff report for the Doran Development. Duginske Cibulka, Falk, Jacobsohn, Johnston, Tyacke, and Yunker voted yes. Hromatka was absent. Motion passed.

5. Kraus-Anderson/Aeon Bren Road Development at 10701 Bren Road East

This item was removed from the agenda.

6. 2022–2026 EIP

Gray gave the staff report. She recommended commissioners provide feedback for the draft 2022-2026 EIP.

Chair Yunker encouraged the use of multi-family rehabilitation loan programs to preserve naturally occurring affordable housing. Property owners could be given an option to help bring a building up to code and keep rents affordable.

Tyacke asked if a placeholder should be created to determine what to do with the federal dollars from the American Rescue Plan once the amount and allowed expenditures are known. Gray answered affirmatively. Gray and Wischnack anticipated creating a multi-year spend-down approach once the parameters for what the funds may be used are known.

Jacobsohn asked for more information on the naturally occurring affordable housing Legacy Education Program. Gray explained that the program encourages multi-family housing property owners to contact the city prior to the sale of the land to allow staff the opportunity to connect the seller with a buyer who could preserve the affordable units long term. It would be a low-cost program to the city that could have a big impact on the preservation of affordable units.

Duginske Cibulka asked if approval of the HRA Levy would be done at a separate meeting. Gray explained that the city council approved \$50,000 in 2020 for business assistance to be utilized in 2021. That money is there today and is not committed. The idea is to work with Hennepin County to receive a grant that would be used to find out what businesses need in order to best utilize the dollars. The EDAC will make a recommendation to the city council regarding the HRA Levy amount in July, and the amount would also be included in the budget in December.

Duginske Cibulka asked if staff saw a lot of developers using the predevelopment program. Gray explained that it is a catch-all fund to be able to have more in-depth community engagement conversations. The fund does pay for some of Ehlers' initial reviews, studies, and backup analysis. Once a developer is involved, those costs are shifted to the developer.

Chair Yunker asked if the amounts allocated for the Minnetonka Home Enhancement and Welcome to Minnetonka programs seem appropriate for the demand. Gray stated that it seems to depend on what other programs are being offered with a lower interest rate or higher income limit. She will provide an update on its status at the next meeting. There is continued interest. Hanson agreed that the demand for the programs fluctuates with economic conditions. A bulk of the funding has been used more for down-payment assistance.

Chair Yunker stated that the 2022-2026 EIP draft looks great. He appreciated all of the work on it.

7. Staff Report

- In regard to the SWLRT, Red Circle and Yellow Circle Drives have been reconnected; retaining wall work is ongoing; Opus Station construction continues; Minnetonka-Hopkins LRT bridge pier construction is ongoing, and the bike trail near Bren Road and Red Circle will close the week of April 12th for construction of pedestrian tunnels.
- Staff continues to work with Metro Transit quarterly. The number of trips fell by 30 percent in 2020. There were 114,860 trips in 2018 and 69,676 trips in 2020 in Minnetonka.
- Development updates include The Pointe, Minnetonka Station, Doran, Shady Oak Crossing, Wellington Apartments, Glen Lake Apartments, Ridgedale Area Park, Minnetonka Police and Fire project, Dick's Sporting Goods, Toma Mojo, and Duke's.
- The deadline to apply for a small business administration program moved to May 31, 2021. Changes have been made to increase eligible entities.
- Food services may receive up to \$1 million in assistance. Acceptance of applications begins on May 3, 2021.

- The Elevate Business Hennepin County program offers pro-bono services to businesses in Hennepin County. It is a free service.
- Minnesota is making available \$375 million to be used for emergency rental assistance for renters with incomes up to 80 percent AMI.
- ICA continues to provide assistance for Minnetonka residents with up to 120 percent AMI. As of April 15, ICA has provided 109 emergency rental assistance grants totaling \$146,577.
- The eviction freeze has been extended until April 14, 2021.
- Homes Within Reach completed one project, has five projects in progress and has \$113,347 in uncommitted funds.
- In March, the city council approved \$140,000 for new CDBG rehabilitation projects; eight projects were completed in 2020; six are in progress; 75 residents are on the waitlist, and two projects have been completed so far in 2021.

8. Other Business

The next EDAC meeting is scheduled to be held on May 27, 2021.

9. Adjournment

The meeting was adjourned at 7:21 p.m.