



**REGULAR HOUSING AND REDEVELOPMENT AUTHORITY MEETING
VIRTUAL MEETING HELD VIA WEBEX
APRIL 20, 2020
7:00 PM**

Call to Order

Attendance

Open Forum

Approval of the minutes of the regular Housing and Redevelopment Authority meeting of March 16, 2020.

PRESENTATIONS

AGENDA APPROVAL

1. Approval of the Agenda
2. **Consent Calendar contains several separate items which are acted upon by the HRA in one motion. Once the Consent Calendar has been approved, the individual items and recommended actions have also been approved. No further HRA action on these items is necessary. However, any HRA Commissioner may request that an item be removed from the Consent Calendar and placed on the regular agenda for HRA discussion and action. All items listed on the Consent Calendar are recommended for approval.**
 - A. Consideration of a resolution authorizing execution of a Developer Agreement with the West Hennepin Affordable Land Housing Trust, dba Homes Within Reach, for the acquisition, rehabilitation and sale of houses under the New Home Program.

Staff Report No. 13
 - B. Consideration of a resolution authorizing the Housing and Redevelopment Authority Executive Director to grant a 120-day extension to deadlines in existing contracts.

Staff Report No. 14
3. Consideration of items, if any, removed from Consent Calendar

OTHER BUSINESS

4. Consideration of a Professional Services Agreement with Volunteers Enlisted to Assist People to provide emergency rent assistance to low-income Richfield households impacted by the COVID-19 crisis.

Staff Report No. 15

HRA DISCUSSION ITEMS

5. HRA Discussion Items

EXECUTIVE DIRECTOR REPORT

6. Executive Director's Report

CLAIMS

7. Claims

8. Adjournment

Auxiliary aids for individuals with disabilities are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at 612-861-9738.



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Regular Meeting

March 16, 2020

CALL TO ORDER

The meeting was called to order by Chair Supple at 7:00 p.m. in the Council Chambers.

HRA Members Present: Mary Supple, Chair; Maria Regan Gonzalez; Sue Sandahl; and Pat Elliott.

HRA Members Absent: Erin Vrieze Daniels

Staff Present: John Stark, Executive Director/Community Development Director and Julie Urban, Housing Manager.

OPEN FORUM

No speakers

APPROVAL OF THE MINUTES

M/Regan Gonzalez, S/Elliott to approve the minutes of the regular Housing and Redevelopment Authority meeting of February 18, 2020.

Motion carried 4-0

Item #1

APPROVAL OF THE AGENDA

M/Sandahl, S/Regan Gonzalez to approve the agenda.

Motion carried 4-0

Item #2

APPROVAL OF THE CONSENT CALENDAR

Executive Director Stark presented the consent calendar.

- A. Consideration of the adoption of a resolution approving a subordination agreement related to the Cedar Point II apartments. (S.R. No. 11).

RESOLUTION NO. 1355

RESOLUTION APPROVING SUBORDINATION OF CERTAIN RIGHTS RELATING TO CONTRACT FOR PRIVATE DEVELOPMENT WITH CPII DEVELOPMENT LLC

M/Sahdahl, S/Regan Gonzalez to approve the consent calendar.

Motion Carried 4-0

Item #3	CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM THE CONSENT CALENDAR
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None

Item #4	CONSIDERATION OF A RESOLUTION GRANTING THE EXECUTIVE DIRECTOR AUTHORITY TO EXTEND HOUSING AND REDEVELOPMENT AUTHORITY CONTRACTS AND AGREEMENTS IN THE EVENT OF AN EMERGENCY. (S.R. NO. 12)
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Executive Director Stark presented Staff Report No.12. Executive Director also gave the HRA an update on staffing related to the Covid-19 situation.

RESOLUTION NO. 1356

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RICHFIELD TO EXTEND CONTRACTS AND AGREEMENTS

M/Sandahl, S/Regan Gonzalez to approve a resolution granting the Executive Director authority to extend Housing and Redevelopment Authority contracts and agreements in the event of an emergency.

Executive Director Stark mentioned the original resolution was inaccurate and that he distributed a corrected version to commissioners at the meeting.

Commissioner Regan Gonzalez thanked staff for all the extra work being done surrounding the Covid-19 situation and spoke of the community work being done.

Motion Carried 4-0

Item #5	HRA DISCUSSION ITEMS
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None

Item #6	EXECUTIVE DIRECTOR REPORT
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None

Item #9	CLAIMS
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M/Sandahl, S/Regan Gonzalez that the following claims be approved:

U.S. BANK	3/16/2020
Section 8 Checks 131516-131595	\$165,375.44
HRA Checks 33811-33825	\$26,186.28
Total	\$191,561.72

Motion carried 4-0

Item #10	ADJOURNMENT
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The meeting was adjourned by unanimous consent at 7:09 p.m.

Date Approved: April 20, 2020

Mary B. Supple
HRA Chair

LaTonia DuBois
Administrative Assistant

John Stark
Executive Director

AGENDA SECTION: Consent Calendar

AGENDA ITEM #

2.A.



STAFF REPORT NO. 13
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
4/20/2020

REPORT PREPARED BY: Kate Aitchison/Celeste McDermott, Housing Specialists

OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director
4/15/2020

ITEM FOR COUNCIL CONSIDERATION:

Consideration of a resolution authorizing execution of a Developer Agreement with the West Hennepin Affordable Land Housing Trust, dba Homes Within Reach, for the acquisition, rehabilitation and sale of houses under the New Home Program.

EXECUTIVE SUMMARY:

The Housing and Redevelopment Authority (HRA) works with the West Hennepin Affordable Land Housing Trust (WHAHLT), dba Homes Within Reach, to purchase and rehabilitate homes to be sold to income-qualifying households. WHAHLT is a Community Land Trust that allows homeowners to purchase the home itself while maintaining ownership of the land beneath it and leasing it for a nominal fee, which greatly reduces the burden of down-payment and mortgage payments. The ground leases are in place for 99 years, which ensure long term affordability of the home.

WHAHLT is seeking to continue providing affordable housing in Richfield through the land trust model. The proposed Developer Agreement (Agreement) between the HRA and WHAHLT details the terms of this continued partnership for 2020. Under the terms of the Agreement, the HRA would provide up to \$80,000 to WHAHLT to assist with the purchase of the home. WHAHLT then rehabilitates the home, when necessary, and resells it to a household earning no more than 80% of the Area Median Income (AMI).

The Community Development Block Grant (CDBG) funds originally budgeted for this program have been reallocated to the First Time Homebuyer Program, so staff is recommending that this activity be funded with Housing and Redevelopment Fund money. The Housing and Redevelopment Fund can be used to fund the acquisition and rehabilitation of affordable housing. The HRA will be asked to revise the 2020 budget to reflect this change.

RECOMMENDED ACTION:

By motion: Approve a resolution authorizing execution of a Developer Agreement with the West Hennepin Affordable Land Housing Trust, dba Homes Within Reach, for the acquisition, rehabilitation and sale of houses utilizing Housing and Redevelopment funds, subject to final approval by legal counsel.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- Under the New Home Program, the HRA has worked with several developers over the years to either build new homes or purchase and rehabilitate existing homes and make them available to households earning no more than 80 percent of the AMI. WHAHLT has successfully purchased, rehabilitated and sold 13 homes in Richfield. Since 2002, WHAHLT has helped 183 families across the Hennepin County area.

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

- The objectives of the New Home Program are to:
 - Eliminate the blighting influence of substandard housing, thus improving residential neighborhoods;
 - Maintain and improve the existing housing stock while maintaining housing affordability;
 - Develop quality housing with long-term affordability, to the greatest extent possible;
 - Coordinate with developers to provide affordable housing for families.
- Purchasing and rehabilitating homes to provide affordable housing carries out the policies of the City's Comprehensive Plan, including:
 - Support the rehabilitation and upgrading of the existing housing stock;
 - Promote the development, management and maintenance of affordable housing in the City through assistance programs, alternative funding sources, and the creation of partnerships whose mission is to promote low to moderate income housing.

C. CRITICAL TIMING ISSUES:

- WHAHLT has been working to identify properties for purchase and rehabilitation in Richfield. Approval of the Agreement would allow the HRA and WHAHLT to complete the purchase and rehabilitation of any properties identified.
- The Housing and Redevelopment Fund budget will be revised during the budget process to include the acquisition and rehabilitation of affordable housing.

D. FINANCIAL IMPACT:

- The City Council originally budgeted \$80,000 in Community Development Block Grant (CDBG) funds in Federal Fiscal Year 2019 for the WHAHLT partnership; however, in February, 2020, the Council approved a reallocation of those funds to the HRA's First Time Homebuyer Program, which had run out of funds.
- In order to continue funding this affordable homeownership program, staff recommends that the HRA utilize Housing and Redevelopment funds. The HRA will be asked to approve this change in the 2020 revised budget.
- HRA funds assist with the acquisition of the property.
- Maximum reimbursement under this Agreement is \$80,000 for one or more homes.
- The Agreement provides for HRA staff to approve the acquisition of the specific property and to review income documentation prior to the final sale.

E. LEGAL CONSIDERATION:

- The Agreement was prepared by HRA legal counsel.
- Housing and Redevelopment funds can be used for affordable housing.

ALTERNATIVE RECOMMENDATION(S):

- Do not approve the Agreement.

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A

ATTACHMENTS:

Description	Type
☐ Resolution	Resolution Letter
☐ Agreement	Contract/Agreement

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD, MINNESOTA**

RESOLUTION NO. _____

**RESOLUTION APPROVING DEVELOPER AGREEMENT WITH WEST HENNEPIN
AFFORDABLE HOUSING LAND TRUST DBA HOMES WITHIN REACH**

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the "Authority") intends to provide \$80,000 in pooled tax increment (the "Tax Increment") to the West Hennepin Affordable Housing Land Trust dba Homes Within Reach, a Minnesota nonprofit corporation ("WHAHLT"), for the purposes of acquiring and rehabilitating homes in the City of Richfield, Minnesota; and

WHEREAS, the Authority has proposed that WHAHLT use the Tax Increment to purchase, rehabilitate, and resell one or more properties to households earning at or below 80% of the area median income; and

WHEREAS, there has been presented before the Board of Commissioners of the Authority a Developer Agreement (the "Developer Agreement") to be executed by the Authority and WHAHLT, which sets for the terms of the Tax Increment to be provided to WHAHLT and the agreement by WHAHLT to purchase, rehabilitate, and resell the properties; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota as follows:

1. The Developer Agreement is hereby in all respects authorized, approved, and confirmed, and the Chair and the Executive Director are hereby authorized and directed to execute the Developer Agreement for and on behalf of the Authority in substantially the form now on file with the Executive Director but with such modifications as shall be deemed necessary, desirable, or appropriate, the execution thereof to constitute conclusive evidence of their approval of any and all modifications therein.

2. The Chair and the Executive Director are hereby authorized to execute and deliver any and all documents deemed necessary to carry out the intentions of this resolution and the Developer Agreement.

3. This resolution shall be in full force and effect as of the date hereof.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 20th day of April, 2020.

Mary B. Supple, Chair

Maria Regan Gonzalez, Secretary

DEVELOPER AGREEMENT
(West Hennepin Affordable Housing Land Trust dba Homes Within Reach)

THIS DEVELOPER AGREEMENT (the “Agreement”), made and entered into as of this ___ of April, 2020 (“Effective Date”), by and between the **Housing and Redevelopment Authority in and for the City of Richfield** (“Authority” or “HRA”), a body corporate and politic under the laws of the State of Minnesota, having its principal office at 6700 Portland Avenue, Richfield, Minnesota (“HRA”) and the **West Hennepin Affordable Housing Land Trust dba Homes Within Reach**, a nonprofit corporation under the laws of Minnesota, having its principal office at 5101 Thimsen Ave, Suite 202, Minnetonka, MN 55345. (“Developer” or “WHAHLT”).

RECITALS

- A. The HRA intends to provide WHAHLT with \$80,000 in pooled tax increment (“Tax Increment”) for the purposes of acquiring and rehabilitating homes in the City of Richfield (the “City”) to be resold to people earning at or below 80% of the area median income.
- B. The HRA desires WHAHLT to purchase, rehabilitate, and resell one or more properties eligible to be purchased, rehabilitated and resold with Tax Increment (the “Eligible Properties”) and WHAHLT has agreed to do so pursuant to the terms and conditions of this Agreement.
- C. The City and the HRA have previously established a New Home Program pursuant to the authority granted in Minnesota Statutes, Sections 469.001 through 469.047.
- D. WHAHLT will utilize the Community Land Trust model to purchase, rehabilitate, and resell the property to an income-qualified buyer, and will retain ownership of the land to ensure long-term affordability.
- E. The grant of the Tax Increment to WHAHLT is for the purpose of providing affordable housing within the City and to assist in carrying out the objectives of the New Home Program, which are in the best interests of the City, and the health, safety and welfare of its residents and in accord with the public purposes and provisions of the applicable state and local laws and requirements.
- F. In performing its obligations under this Agreement, WHAHLT must adhere to the restrictions for the use of Tax Increment set forth in this Agreement.

AGREEMENT

1. **Scope of Work.**

A. **Developer.** The HRA hereby designates WHAHLT as a Developer to purchase, rehabilitate, and resell Eligible Properties in accordance with the terms and conditions of this Agreement.

B. Criteria. WHAHLT will identify Eligible Properties that they would like to acquire under this Agreement. The HRA will provide written consent for the location of the home to be acquired by WHAHLT. Prior to the acquisition of an Eligible Property, WHAHLT shall provide the HRA with a Developer Pro Forma in the form set forth in EXHIBIT A.

C. Compliance with Required Programs. To the extent required by federal, state, and local law and regulation, WHAHLT agrees to comply with the program requirements of:

- 1) Hennepin County Affirmative Action Policy and Commissioners' Policies Against Discrimination;
- 2) Equal opportunity and discrimination provisions of all applicable State and Federal laws, rules, and regulations;
- 3) Section 504 of the Rehabilitation Act of 1973, as amended;
- 4) Lead based paint notification, inspection, testing and abatement procedures established in 24 CFR Part 35 as referenced in 24 CFR 570.608, including but not limited to the Lead Disclosure Rule and HUD's Lead Safe Housing Rule as set forth in Section 3.06 of the Procedural Manual; and
- 5) Fair housing requirements of section 104(b) and section 109 of Title I of the Housing and Community Development Act of 1974, as amended, including Title VI of the Civil Rights Act of 1964, the Fair Housing Act, and other applicable fair housing laws.

WHAHLT further agrees to provide HRA with a timely certification that the requirements listed in this Section have been met.

D. Resale of Property. After WHAHLT completes the rehabilitation of an Eligible Property, WHAHLT will market said Eligible Property and execute a purchase agreement with an end buyer earning at or below 80% of the area median income.

F. Reports. WHAHLT shall provide HRA with a report of its activities on-an as-needed basis, including but not limited to reports related to the income of the end buyer of the Eligible Property.

2. Term. This Agreement is effective as of the Effective Date and until December 31, 2020.

3. Acquisition, Relocation and Displacement. WHAHLT shall be responsible for carrying out all acquisitions of real property necessary for implementation of this Agreement. WHAHLT shall conduct all such acquisitions in its name and shall hold title to all real property purchased and shall be responsible for preparation of all notices, appraisals, and documentation required in conducting acquisition under the regulations of the Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as required under 49 CFR Part 24. WHAHLT shall also be responsible for providing all relocation notices, counseling, and services required by said

regulations. In addition, WHAHLT shall comply with the acquisition and relocation requirements of the Minn. Stat. Sections 117.50 through 117.56 (the “Minnesota Relocation Act”).

4. Labor Standards, Employment and Contracting. WHAHLT shall notify the HRA prior to initiating any rehabilitation activities, including advertising for contractual services, which will include costs likely to be subject to the provisions of Federal Labor Standards and Equal Employment Opportunity and related implementing regulations.

5. Documentation. WHAHLT must maintain the following records and reports relating to Eligible Properties acquired pursuant to this Agreement: income documentation for buyer of property financed with Tax Increment, appraisals, environmental reports, purchase agreements, settlement statements, and deed document number/filing information per property. WHAHLT shall submit copies of the foregoing documentation to HRA with respect to any Eligible Property acquired pursuant to this Agreement prior to closing with the buyer. The HRA will issue a clear to close once documentation has been submitted.

6. Proof of Eligible Tax Increment Costs. WHAHLT will provide a detailed accounting to the HRA for expenditures paid with Tax Increment, which may include the purchase of property, and the purchase of a home.

6. Suspension and Termination. If WHAHLT materially fails to comply with any term of this Agreement after written notice and an opportunity to cure, this Agreement may be terminated. The time period for said opportunity to cure will be dependent upon the relevant time period requirements of the applicable law, regulation, program, or otherwise.

7. Notice. All communications, notices, and demands of any kind which either party may be required or may desire to give to or serve upon the other shall be made in writing, and such notice shall be deemed sufficiently given if and when it is addressed to then other party as provided below and either (a) delivered personally, (b) deposited in the United States mail, registered or certified, with postage prepaid, (c) deposited with an overnight delivery service for next day delivery, or (d) telecopied:

To HRA: Richfield Housing and Redevelopment Authority
Attention: John Stark, AICP, Executive Director
6700 Portland Avenue
Richfield, Minnesota 55423-2599
Fax: (612) 861-8974

To WHAHLT: West Hennepin Affordable Housing Land Trust
Attention: Janet Lindbo, Executive Director
5101 Thimsen Avenue
Suite 202
Minnetonka, MN 55345-4117

8. Data Practices. WHAHLT agrees to abide by the provisions of the Minnesota Government Data Practices Act and all other applicable State and Federal laws, rules, and regulations relating to data privacy and confidentiality, and as any of the same may be amended.
9. Access to Records. HRA shall have the authority to review any and all procedures and all materials, notices, and documents prepared by WHAHLT in implementation of this Agreement.
10. Indemnification. WHAHLT agrees to hold harmless, indemnify and defend HRA, its elected officials, officers, agents, and employees against any and all claims, losses, or damages, including attorneys' fees, arising from, allegedly arising from, or related to, the provision of services under this Agreement by WHAHLT, its employees, agents, officers, or volunteer workers.
11. Independent Contractor. Nothing in this Agreement is intended, nor may be construed, to create the relationship of partners or employer/employee between the parties. WHAHLT, its officers, agents, employees, and volunteers are, and will remain for all purposes and services under this Agreement, independent contractors.
12. Entire Agreement. The entire agreement of the parties is contained in this document. This Agreement supersedes all previous written and oral agreements and negotiations between the parties relating to the subject matter of this Agreement except as provided in paragraph 14 of this Agreement.
13. Severability. The invalidity, illegality or enforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall remain in full force and effect.
14. Assignment of Agreement. The parties shall not assign this Agreement without the express written consent of the other party.
15. Modification. No provision, term or clause of this Agreement shall be revised, modified, amended or waived except by an instrument in writing signed by both parties.
16. Counterparts. This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed to be an original, all of which, when taken together, shall constitute one agreement.
17. Headings. The titles to the sections and headings of various paragraphs of this Agreement are placed for convenience of reference only and in case of conflict, the text of this Agreement, rather than such titles or headings shall control.
18. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of each of the parties hereto.
19. Invalidity. If for any reason any portion or paragraph of this Agreement shall be declared void and unenforceable by any court of law or equity, it shall only affect such particular portion or

paragraph of this Agreement, and the balance of this Agreement shall remain in full force and effect and shall be binding upon the parties hereto.

20. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Minnesota.

21. Electronic Signatures. This Agreement may be executed with electronic signatures.

(Signature page follows)

IN WITNESS WHEREOF, the Authority has caused this Agreement to be duly executed in its name and behalf and WHAHLT has caused this Agreement to be duly executed in its name and behalf as of the date first above written.

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD, MINNESOTA

By _____
Its Chairperson

By _____
Its Executive Director

WEST HENNEPIN AFFORDABLE HOUSING LAND
TRUST

By _____
Its Executive Director

**EXHIBIT A
DEVELOPER PRO FORMA**

Sources & Uses - Preliminary				
Name of Property:				
Date:				
Sources:				Comments
Homebuyer Mortgage			\$	
20__ AHIF			\$	Project Costs
20__ Richfield Tax Increment			\$	Land & Project Costs
20__ HOME			\$	Land
20__ MH Impact			\$	Project Costs
20__ Bond Proceeds			\$	Land
20__ Met Council			\$	Rehab
		Total	\$	
Uses:				
Acquisition Costs			\$	
Closing Costs			\$	
Inspection/other			\$	
	Acquisition costs		\$	
Adm Fee			\$	Project Fee & HOME Fee
Holding/Closing Costs/ LC/ Taxes			\$	Special Assessments of \$ _____
Rehab Costs			\$	
		Total	\$	



STAFF REPORT NO. 14
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
4/20/2020

REPORT PREPARED BY: Melissa Poehlman, Asst. Community Development Director

OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director
4/14/2020

ITEM FOR COUNCIL CONSIDERATION:

Consideration of a resolution authorizing the Housing and Redevelopment Authority Executive Director to grant a 120-day extension to deadlines in existing contracts.

EXECUTIVE SUMMARY:

On March 16, the Housing and Redevelopment Authority (HRA) approved a resolution authorizing the Executive Director to extend performance deadlines of existing agreements in case of an emergency that limits the availability of HRA staff. As the current COVID-19 pandemic had spread, it has become apparent that there will be significant disruptions to development that do not relate to the ability of HRA staff to work. The current COVID-19 crisis has created disruptions in both financial and construction markets, which has caused developers to request extensions of their contract deadlines. Rather than amending each agreement, staff recommends that the Executive Director be authorized to extend deadlines (when delays have been caused by the COVID-19 pandemic) for up to 120 days. The resolution further authorizes the Executive Director to provide one additional 60-day extension, if conditions warrant.

The HRA has approved several agreements with developers that have deadlines in the coming weeks and months.

Existing agreements with pending deadlines:

- Enclave Development at 65th Street and Lyndale Avenue - A Preliminary Development Agreement with Enclave Development, LLC was approved on February 18, 2020. With this situation continuing to unfold, it will be difficult for the developer to put together a pro-forma with any degree of confidence or for HRA staff to negotiate a Development Agreement by June.
- Henley II at 64th Street & Lyndale Avenue - A Preliminary Development Agreement with NorthBay Companies was approved on January 21, 2020. The developer has entered into purchase agreements for five properties, but will need to extend those purchase agreements until July due to impacts from the COVID-19 crisis. While there has been a great deal of progress made by the developer (such as revising their plan to reduce building height adjacent to single-family homes, increasing the parking ratio and addressing storm-water issues), the delay in closing will necessitate extending the Preliminary Development Agreement by at least 120 days.
- RF64 at 63rd Street & Richfield Parkway - The development was scheduled to close on the apartment property by March 31st; however, the Stay at Home order has slowed progress on the closing. Executive Director Stark extended the deadline until May 4, under the authority the HRA approved on March 16, 2020; however, an additional extension will likely be needed. Slow-downs caused by working from home, uncertainty over virtual public hearings, and the

closure of the Hennepin County plat office have all delayed approval of the plat, which is required for the closing to occur. There is an option to do a “dry” closing, in which documents and funds are held in escrow until the plat can be filed; however, attorneys for both the HRA and the developer recommend that an extension of the closing deadline is the preferred alternative.

- NHH at 6501 Penn Avenue - Staff presented two affordability options on February 18; however, HRA Commissioners were split 2-2 over the two options. Staff had planned to return to the HRA for further discussion and to recommend moving forward with “community conversations” about affordable housing; however, the COVID-19 crisis has disrupted these plans. Alternatively, staff and the developer plan to apply to the Metropolitan Council for pre-development planning funds in anticipation of being able to continue developing a plan for the property once the Stay at Home order has been lifted. Extending the dates in the Preliminary Development Agreement (April 30 for site planning and June 30 for a Development Agreement) will allow for a more thoughtful planning process.

RECOMMENDED ACTION:

By Motion: Approve the attached resolution authorizing the Executive Director of the Housing and Redevelopment Authority to extend deadlines in existing contracts.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- To date, there has not been a crisis like the current pandemic.

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

- Staff and the HRA Attorney believe that a policy allowing extensions due to the current pandemic is warranted. The additional time will hopefully allow markets to stabilize and project discussions/work to continue.

C. CRITICAL TIMING ISSUES:

- Deadlines in certain agreements are approaching.

D. FINANCIAL IMPACT:

- None

E. LEGAL CONSIDERATION:

- The HRA Attorney has been consulted on this issue and drafted the attached resolution.

ALTERNATIVE RECOMMENDATION(S):

Direct staff to prepare individual resolutions to consider extensions on a project-by-project basis.

PRINCIPAL PARTIES EXPECTED AT MEETING:

None

ATTACHMENTS:

Description	Type
□ Resolution	Resolution Letter

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD, MINNESOTA**

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF THE HOUSING AND
REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RICHFIELD TO EXTEND
DEADLINES IN EXISTING CONTRACTS**

WHEREAS, the Board of Commissioners (the “Board”) of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the “Authority”) has previously authorized the Executive Director of the Authority to approve and execute contracts and agreements on behalf of the Authority so long as such documents or agreements do not provide for the expenditure of funds in an aggregate amount of more than \$50,000, all without prior action by the Authority; and

WHEREAS, the spread of COVID-19 in the State of Minnesota has created disruptions in the local markets, including the financial and construction markets, which has caused developers to request extensions of deadlines in their contracts with the Authority; and

WHEREAS, due to these disruptions, the Authority proposes to authorize the Executive Director to extend performance deadlines in all contracts regardless of the monetary value of such contracts for all delays caused by the COVID-19 pandemic for up to one hundred and twenty (120) days with the option of providing another sixty (60) day extension if the circumstances at the time warrant an additional extension;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota as follows:

1. The Executive Director is hereby authorized, on behalf of the Authority, to extend performance dates in all contracts regardless of the monetary value of such contracts, all without prior action by the Board, to the extent necessary to allow for performance under the contracts. Such extensions may be for up to one hundred and twenty (120) days with the option of providing another sixty (60) day extension if the circumstances at the time warrant an additional extension.

2. This resolution shall be in full force and effect as of the date hereof.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 20th day of April, 2020.

Mary Supple, Chair

Maria Regan Gonzalez, Secretary



STAFF REPORT NO. 15
HOUSING AND REDEVELOPMENT AUTHORITY
MEETING
4/20/2020

REPORT PREPARED BY: Julie Urban, Housing and Redevelopment Manager
OTHER DEPARTMENT REVIEW:

EXECUTIVE DIRECTOR REVIEW: John Stark, Executive Director
4/15/2020

ITEM FOR COUNCIL CONSIDERATION:

Consideration of a Professional Services Agreement with Volunteers Enlisted to Assist People to provide emergency rent assistance to low-income Richfield households impacted by the COVID-19 crisis.

EXECUTIVE SUMMARY:

The COVID-19 crisis (Crisis) is having a negative economic impact on Richfield residents. Job losses and reduction in income create food insecurity and housing instability, especially for low-income households. Volunteers Enlisted to Assist People (VEAP) provides emergency rent and food assistance to Richfield households, and they have seen a significant increase in requests for assistance for both food and rent since the State's Stay at Home order was enacted. The City annually provides funding to VEAP for this assistance; however, increased needs have led to a need for additional funding.

Staff is recommending that the Housing and Redevelopment Authority (HRA) provide an immediate \$30,000 in funding to VEAP to expand its emergency rental assistance program to renters financially impacted by the Crisis. Assuming an average rent for a two bedroom apartment is approximately \$1,200, the funds provided by the HRA would provide rent assistance and cover staff and administrative costs for up to 25 households.

In order to facilitate the emergency rental assistance, the HRA Attorney has recommended that the City pass an ordinance creating an Affordable Housing Trust Fund (Trust Fund). The Trust Fund will provide clear legal authority to the City and the HRA, as its administrator of the Trust Fund, to provide emergency rental assistance. Until an ordinance can be passed, the City Council will be asked to consider passing an emergency ordinance authorizing the HRA to provide rental assistance required because of the COVID-19 crisis. The proposed Professional Services Agreement (Agreement) will be effective with that approval.

The source of funds for the rental assistance would be the HRA's Capital Improvement Fund. The Capital Improvement Fund was created many years ago with the intention of maintaining a \$1 million balance and using investment earnings for special programs and/or emergency situations. There is currently \$1,125,942 available in the Capital Improvement Fund. Staff recommends that the HRA allocate \$30,000 of these funds to VEAP at this time. Additional funds will likely be needed as the Crisis continues, at which time staff will return to the HRA to ask for more funding.

RECOMMENDED ACTION:

By motion: Approve a resolution authorizing a Professional Services Agreement with Volunteers Enlisted to Assist People to provide emergency rental assistance to low income Richfield households, contingent upon City Council approval of an emergency ordinance to allow rental subsidies due to the impacts of COVID-19.

BASIS OF RECOMMENDATION:

A. HISTORICAL CONTEXT

- VEAP serves low-income families, children, seniors, and individuals at serious risk of hunger and homelessness. Serving the South Hennepin County communities of Bloomington, Richfield, Edina, and South Minneapolis, VEAP offers immediate and caring support through access to healthy foods, stable housing, and financial support and assistance. The City provides human services funds annually to VEAP to provide assistance to Richfield households earning up to 200% of the federal poverty level.
- In 2019, VEAP assisted 31 Richfield households with rent assistance at the cost of \$50,000. An attachment provides a summary of VEAP's services and the increased need they are seeing.
- Staff anticipates that homeowners are also facing challenges making mortgage payments. At this time, staff is directing homeowners to have conversations with their lenders about potential forbearance and/or to access free financial counseling services from one of our partners for advice in managing mortgage obligations and other debt. We will continue to monitor the needs of homeowners.

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

- The Crisis is having an economic impact on members of our community. VEAP is seeing a significant increase in the number of calls from Richfield residents seeking food and emergency rent assistance due to the loss of jobs and income. People with the lowest incomes are most at risk of hunger and housing instability. Supporting housing stability is a core part of the HRA's mission.
- VEAP also works closely with Hennepin County and other organizations to leverage additional resources by ensuring that residents are able to access as many resources as possible.

C. CRITICAL TIMING ISSUES:

- Anticipating the need for additional funding, the HRA Attorney is recommending that the City create the Trust Fund. The Council will be asked to make the HRA the administrator of the Trust Fund. The HRA will finance the Trust Fund and provide rent assistance funding to VEAP from the Trust Fund. Creation of the Trust Fund needs to be by ordinance and will likely be scheduled for Council consideration in May and June.
- In order to provide funding to VEAP to meet immediate needs, the City Council will be asked to pass an emergency ordinance authorizing the use of funds for rent assistance due to the impacts of COVID-19. This is scheduled for the Council meeting on April 28, 2020.
- While there is currently a moratorium on evictions, rent will eventually be due and payable. We have heard from several landlords who are willing to work out payment plans for residents, but it will still be difficult for people to meet these financial obligations. VEAP anticipates another surge in demand once the eviction moratorium is lifted.
- Hennepin County anticipates that Community Development Block Grant (CDBG) funds may be available to pay for housing and community development needs caused by the Crisis. While the hope is that those funds will be available soon, the exact timing and amount is unknown. Providing VEAP with local funds to supplement their rental assistance program will help to bridge the gap until federal funds are available.
- A flyer containing information on housing and other resources is being mailed to all Richfield residents this week. Information on housing resources is also currently available on the City's website.

D. FINANCIAL IMPACT:

- The need for additional funding is immediate. VEAP has experienced a significant increase in the

number of calls for service since the Crisis began. VEAP spent all of its April housing assistance budget by the end of the first week of the month and is currently not able to help Richfield residents with rent assistance.

- The HRA's Capital Improvement Fund was created years ago as an interest-earning fund and intended to provide a source of funding for future needs. The policy established at the time was to maintain \$1 million in the fund and to use the interest to fund special HRA programs. There is currently \$1,125,942 in the Capital Improvement Fund. Staff recommends that \$30,000 be accessed for emergency rent assistance at this time.
- It's likely that additional emergency assistance will be needed before the Crisis has past. The HRA may be asked to consider using one or more of the following funding sources:
 - \$95,000 from the Capital Improvement Fund;
 - Divert \$20,000 from the Apartment Liaison Program;
 - Ask the Economic Development Authority to divert \$15,000 from the Kids@Home Program;
 - Spend more from the Capital Improvement Fund, leaving less than a \$1 million balance.

E. LEGAL CONSIDERATION:

- The HRA Attorney prepared the Professional Services Agreement.
- The HRA Attorney recommends that the City create Trust Fund to facilitate the proposed emergency rent assistance. Legislation was passed in 2017 giving cities the ability to establish Affordable Housing Trust funds. The Trust Fund gives clearer authority to cities to provide rental subsidies than existed when we created the Kids@Home program, which also provides rent assistance.
- The HRA Attorney recommends that the HRA provide funds to VEAP for rental assistance, given its alignment with the HRA's mission. While VEAP is also in need of food assistance, the HRA's housing assistance help will free up VEAP's other resources for food.

ALTERNATIVE RECOMMENDATION(S):

Decide not to approve the Agreement.

PRINCIPAL PARTIES EXPECTED AT MEETING:

N/A

ATTACHMENTS:

	Description	Type
▢	Resolution	Resolution Letter
▢	Professional Services Agreement	Contract/Agreement
▢	VEAP Response to COVID-19 Crisis	Backup Material

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD, MINNESOTA**

RESOLUTION NO. _____

RESOLUTION APPROVING A PROFESSIONAL SERVICE AGREEMENT WITH VEAP, INC.

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (the “Authority”) enters into professional service agreements with vendors and contractors from time to time; and

WHEREAS, the Authority has proposed to enter into a professional service agreement with VEAP, Inc., a Minnesota nonprofit corporation (the “Contractor”), for the administration of a social services program to provide emergency rental assistance for up to six months to low-income individuals, seniors, youth and families in the City of Richfield who are affected by the COVID-19 pandemic, and associated staffing and administrative costs (collectively, the “Services”); and

WHEREAS, there has been presented before the Board of Commissioners of the Authority a form of Professional Service Agreement (the “Professional Service Agreement”) to be executed by the Authority and the Contractor, which sets forth the terms of the Services to be provided by the Contractor; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota as follows:

1. The Professional Service Agreement is hereby in all respects authorized, approved, and confirmed, and the Chair and the Executive Director are hereby authorized and directed to execute the Professional Service Agreement for and on behalf of the Authority in substantially the form now on file with the Executive Director but with such modifications as shall be deemed necessary, desirable, or appropriate, the execution thereof to constitute conclusive evidence of their approval of any and all modifications therein.

2. The Chair and the Executive Director are hereby authorized to execute and deliver any and all documents deemed necessary to carry out the intentions of this resolution and the Professional Service Agreement.

3. This resolution shall be in full force and effect as of the date hereof.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 20th day of April, 2020.

Mary B. Supple, Chair

Maria Regan Gonzalez, Secretary

PROFESSIONAL SERVICE AGREEMENT

VEAP, INC.

THIS PROFESSIONAL SERVICE AGREEMENT (the “Agreement”) made and entered into by and between the Richfield Housing and Redevelopment Authority, hereinafter referred to as the “HRA”, and the VEAP, Inc., a Minnesota nonprofit corporation, hereinafter referred to as “the Contractor”.

WITNESSETH:

WHEREAS, the HRA wishes to purchase the services of the Contractor;
and

WHEREAS, the Contractor wishes to provide the services to the HRA.

NOW, THEREFORE, in consideration of the mutual undertakings and agreements hereinafter set forth, the HRA and the Contractor agree as follows:

1. **SCOPE OF SERVICES AND TERM**

The Contractor shall perform the work as described in Exhibit A to this Agreement, which is incorporated herein by reference.

The Contractor agrees to comply with all federal, state, and local laws and ordinances applicable to the services to be performed under this Agreement, including all safety standards. The Contractor shall be solely and completely responsible for conditions of the job site, including the safety of all persons and property during the performance of the services. The Contractor represents and warrants that it has the requisite training, skills, and experience necessary to provide the services and is appropriately licensed by all applicable agencies and governmental entities.

The Contractor shall not perform any additional services without the express written permission of the HRA.

This Agreement is effective beginning April 29, 2020, and will be in effect until December 31, 2020. The Agreement will be terminated automatically on December 31, 2020. The agreement may also be terminated by the City, with or without cause, upon giving 30 days’ notice prior to written notice to the Contractor.

2. PAYMENT FOR SERVICES

In exchange for the services provided under this Agreement by the Contractor, the HRA shall pay the Contractor \$30,000 in one lump sum on or before April 30, 2020, following the receipt of a fully-executed Agreement.

3. INDEPENDENT CONTRACTOR

The Contractor shall select the means, method, and manner of performing the services herein in consultation with the HRA. Nothing is intended or should be construed in any manner as creating or establishing the relationship of copartners between the Contractor and the HRA or as constituting the Contractor as the agent, representative, or employee of the HRA for any purpose or in any manner whatsoever. The Contractor is to be and shall remain an independent contractor with respect to all services performed under this Agreement. Any and all personnel of the Contractor or other persons while engaged in the performance of any work or services required by this Agreement shall have no contractual relationship with the HRA, and shall not be considered employees of the HRA. The Contractor shall also supply, at its own expense, all materials, supplies, equipment and tools required to accomplish the work contemplated by this Agreement.

Any and all claims that may or might arise under the Unemployment Compensation Act or the Workers' Compensation Act of the State of Minnesota on behalf of said personnel, arising out of employment, including, without limitation, claims of discrimination against The Contractor, its officers, agents, contractors, or employees shall in no way be the responsibility of the HRA. The Contractor shall indemnify and hold the HRA, its officers and employees harmless from any and all such claims irrespective of any determination of any pertinent tribunal, agency, board, commission, or court. The Contractor, anyone directly or indirectly employed by the Contractor, subcontractors of the Contractor or other persons shall neither require nor be entitled to any compensation, rights, or benefits of any kind whatsoever from the HRA, including, without limitation, tenure rights, insurance benefits, sick and vacation leave, workers' compensation benefits, unemployment compensation, disability, severance pay, retirement benefits (including but not limited to PERA).

4. NONDISCRIMINATION

The HRA operates in accordance with the City of Richfield's policies against discrimination. The Contractor shall abide by all City policies, as well as all applicable Federal and State laws, against discrimination including, but not limited to, Minn. Stat. § 181.59.

5. INDEMNITY

To the fullest extent permitted by law, the Contractor agrees to defend, indemnify and hold harmless the HRA and the City of Richfield, and their employees, officials, volunteers and agents from and against all claims, actions, damages, losses and expenses, including attorney fees, arising out of the Contractor's negligence or the Contractor's performance or failure to perform its obligations under this Agreement. The Contractor's indemnification obligation shall apply to the Contractor's subcontractor(s), or anyone directly or indirectly employed or hired by the Contractor, or anyone for whose acts the Contractor may be liable. The Contractor agrees this indemnity obligation shall survive the completion or termination of this Agreement.

6. INSURANCE

- A. Liability. The Contractor agrees to maintain commercial general liability insurance in a minimum amount of \$1,000,000 per occurrence; \$2,000,000 annual aggregate. The policy shall cover liability arising from premises, operations, products-completed operations, personal injury, advertising injury, and contractually assumed liability. The HRA shall be named as an additional insured.
- B. Automobile Liability. If the Contractor operates a motor vehicle in performing the services under this Agreement, the Contractor shall maintain commercial automobile liability insurance, including owned, hired, and non-owned automobiles, with a minimum liability limit of \$1,000,000, combined single limit.
- C. Workers' Compensation. The Contractor agrees to comply with all applicable workers' compensation laws in Minnesota.
- D. Certificate of Insurance. The Contractor shall, prior to commencing services, deliver to the HRA a Certificate of Insurance as evidence that the above coverages are in full force and effect.

7. RECORDS - AVAILABILITY

The Contractor agrees that the HRA, the State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of the Contractor and involve transactions relating to this Agreement. Records shall be retained for three years from date of final payment with respect to the project. All reports, memos, and other data produced by the Contractor shall become the property of the HRA.

8. DATA PRACTICES COMPLIANCE

This contract is governed by Minnesota Statutes, Chapter 13 (the “Minnesota Government Data Practices Act”) and specifically § 13.05, subd. 6 and 11, the provisions of which are incorporated by reference into this contract. The HRA agrees to give the Contractor access to data collected or maintained by the HRA as necessary to perform the Contractor's obligations under this Agreement. The Contractor agrees to maintain all data obtained from the HRA consistent with the requirements of the Minnesota Government Data Practices Act, Minn. Stat. §§ 13.02 et seq. The Contractor will not release or disclose the contents of data classified as not public to any person except at the written direction of the HRA. The Contractor agrees to indemnify the HRA from any claim, liability, damage or loss asserted against HRA as a result of the Contractor's failure to comply with the requirements of this paragraph; provided that the Contractor shall have no duty to defend or indemnify where the Contractor has acted in conformance with the HRA's written directions. Upon termination of this contract, the Contractor agrees to return data to the HRA, as requested by the HRA.

9. NO ASSIGNMENT

The Contractor shall not assign, subcontract, transfer, or pledge this contract and/or the services to be performed hereunder, whether in whole or in part, without the prior written consent of the HRA. To the extent that the HRA consents to the subcontracting of any of the services of this agreement, the Contractor agrees to bind every subcontractor by the applicable terms, conditions, and provisions to the subcontractor's work as set forth in this Agreement, unless otherwise specifically agreed otherwise in writing by the HRA, and to pay every subcontractor within 10 days of receipt of payment from the HRA pursuant to Minn. Stat. § 471.425.

10. MERGER AND MODIFICATION

It is understood and agreed that the entire agreement between the parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof. All items referred to in this Agreement are incorporated or attached and are deemed to be part of this Agreement.

Any material alterations, variations, modifications, or waivers of provisions of this Agreement shall only be valid when they have been reduced to writing as an amendment to this Agreement signed by the parties hereto.

11. DEFAULT AND CANCELLATION

The HRA shall have the option to terminate this Agreement at any time. Termination shall be effective upon ten (10) days written notice to the Contractor.

If the Contractor refuses or fails to complete the tasks described in paragraph 1, or to complete the services in a manner satisfactory to the HRA, the HRA may, by written notice to the Contractor, give notice of its intention to terminate this Agreement. After such notice, the Contractor shall have ten (10) days to cure, to the satisfaction of the HRA. If the Contractor fails to cure, the HRA shall send the Contractor a written termination letter which shall be effective upon deposit in the United States mail to the Contractor's address as stated in paragraph 13.

In the event of termination, the HRA shall only be responsible to pay for all services satisfactorily performed by the Contractor to the effective date of termination, as described in the final invoice to the HRA.

12. CONTRACT ADMINISTRATION

In order to coordinate the services of the Contractor with the activities of the HRA so as to accomplish the purposes of this contract, Julie Urban shall manage this contract on behalf of the HRA.

In addition, from time to time, meetings shall be held between the Contractor and HRA staff. The Contractor may also report directly to the HRA Board of Commissioners.

13. NOTICES

Any notice or demand which must be given or made by a party hereto under the terms of this Agreement shall be in writing.

Notices shall be sent as follows:

Community Development Department
Attn: Julie Urban
6700 Portland Avenue South
Richfield, MN 55423

VEAP, Inc.
Attn: Kari Thompson
9600 Aldrich Avenue South
Bloomington, MN 55420

14. GENERAL PROVISIONS

- A. Nondiscrimination. In the hiring of employees to perform work under this Agreement, the Contractor shall not discriminate against any person by reason of any characteristic protected by state or federal law.
- B. Force Majeure. Except for payment of sums due, neither party shall be liable to the other or deemed in default under this Agreement, if and to the extent that such party's performance is prevented by reason of Force Majeure, as determined by the HRA.
- C. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Minnesota. All proceedings related to this Agreement shall be venued in the State of Minnesota.
- D. Waivers. The waiver by either party of any breach or failure to comply with any provision of this Agreement by the other party shall not be construed as, or constitute a continuing waiver of such provision or a waiver of any other breach of or failure to comply with any other provision of this Agreement.
- E. Ownership of Documents. All reports, plans, specifications, data, maps, and other documents produced by the Contractor in the performance of services under this Agreement shall be the property of the HRA.
- F. Counterparts. This Agreement may be signed in counterparts, each of which shall be deemed an original, and which taken together shall be deemed to be one and the same document.
- G. Savings Clause. If any court finds any portion of this Agreement to be contrary to law, invalid, or unenforceable, the remainder of the Agreement will remain in full force and effect.

The Contractor having signed this contract, and the HRA having duly approved this contract on April 20, 2020, and pursuant to such approval and the proper HRA officials having signed this contract, the parties hereto agree to be bound by the provisions herein set forth.

RICHFIELD HOUSING AND REDEVELOPMENT AUTHORITY

By: _____
Chairperson

By: _____
Executive Director

VEAP, INC.

By: _____
Its Executive Director

EXHIBIT A

SCOPE OF WORK

Program

VEAP will provide support and rental assistance to low income renters impacted by the COVID-19 crisis. Specifically, VEAP will provide 1) support for low and moderate income renters to maintain safe and stable housing by communicating with property management and negotiating payment arrangements directly with property management or landlords, a need which could increase as job hours are cut or job loss occurs; 2) limited emergency rent assistance to help maintain housing stability and prevent homelessness, and 3) administration and staffing as needed to provide housing stability to residents of the City.

Actions of Contractor

- A. Contractor will provide regular progress reports to the HRA as to the expenditure of funds. Upon completion of all services, VEAP will provide a close-out report showing the use of all funds provided.
- B. Contractor will provide services under this agreement to all persons without regard to race, color, sex, marital status, or status with regard to public assistance or disability.



Executive Summary

Volunteers Enlisted to Assist People (VEAP), serves low-income families, children, seniors, and individuals at serious risk of hunger and homelessness. Serving the South Hennepin County communities of Bloomington, Richfield, Edina, and South Minneapolis, VEAP offers immediate and caring support through access to healthy foods, stable housing, and financial support and assistance.

VEAP believes that helping a neighbor in need strengthens the social and economic fabric of our community. Our mission: ***Together we create pathways to stronger, more hopeful, communities through access to healthy foods, housing stability and supportive services.*** VEAP strives to increase overall stability, hope, and potential for future success for all members of our community.

Need and Target Group

Our community and our nation have seen unprecedented financial crisis surrounding the Coronavirus pandemic. Due to restrictions in place around COVID19 and social distancing recommendations, many businesses, stores, restaurants, and more have all been forced to shut down, and families in Minnesota are facing extremely uncertain times. In the past two weeks, thousands of Minnesotans lost their jobs, with the Minnesota Department of Employment and Economic Development (DEED) reporting over 300,000 new applications for unemployment – placing many families in immediate financial distress, and that number continues to grow. Many of these families live, work, and go to school in Richfield. Over 85% of these new applicants have never been on unemployment and are finding themselves navigating unknown terrain for resources to help pay for rent, food, and basic needs – things they never expected to need help with.

Fortunately, an eviction freeze is in place for now, however Richfield tenants will still owe unpaid past due rent and it will be difficult to reestablish financial security after such a substantial loss in income to so many. We are anticipating over the next several months, Richfield families will need increased assistance to put food on the table and maintain housing stability. Minnesota's housing experts are estimating that this crisis could potentially set families back several months – meaning help with rent, basic necessities, and food for a minimum of up to six months after restrictions have been lifted will be critical.

Current Eligibility Requirements

Average rents in Richfield range from \$1,150 to \$1,350 for a two-bedroom. Under VEAP's current financial assistance model, minimum monthly rent guidelines deem families paying higher than market rent as ineligible and we only have the funds available to help households with up to two months of rent, at a maximum. Current eligibility guidelines also require anyone seeking rent assistance needs to be below 200% federal poverty guidelines for the last 30 days, meaning very low income. Each household's rental situation also needs to have a certain level of resolvability.

VEAP's Social Services team screens households through a variety of assessments, including verifying income and speaking with landlords to provide individualized case management. VEAP staff speaks with landlords to verify residence and assure they are only a month or two behind on rent, and/or are able to come to a reasonable payment arrangement within three months.

Proposed Eligibility Requirements and Model Changes

If provided with emergency COVID19 supplemental funding, VEAP would be able to provide considerably more financial assistance to Richfield households in need, ensuring families stay secure in their homes. In order to meet the needs of more families in Richfield, VEAP proposes the following changes to our current model:

- Temporarily lift eligibility guidelines to allow for more households to qualify for financial assistance.
- Allow for longer rental resolvability timeline of up to six months (versus the current two-month timeline), as more families seek help from loss of income.
- Increase minimum monthly rent guidelines to assist more households who live in higher priced rentals who normally would be ineligible.
- Increase the number of households that we are able to help.
- Provide more food and basic necessities to Richfield residents to help offset household expenses and alleviate the need to use money intended for rent to feed their families. (As of April 1, 2020, we have doubled the number of visits that households can make to the food pantry and are constantly adapting, as the need increases).
- Disburse emergency financial assistance to residents for help with transportation (gas cards, bus cards, car repair) and childcare to help with job search as households get back on their feet financially.
- Continue to serve all eligible households regardless of immigration status.

In 2019, VEAP distributed 4.3 million pounds of food, half of which was fresh fruits and vegetables. VEAP provided access to healthy foods and housing stability to 7,252 unduplicated Richfield residents for a total of 44,445 visits. There is already an increasing need for help in Richfield. With the loss of so many jobs in our community, the increase in Richfield individuals and families needing our help will be exponential.

Request

VEAP is respectfully requesting funding to provide housing stability, financial assistance, and food security to Richfield residents. With this funding, additional families will receive rental assistance for three-plus months and hundreds more households will be provided with healthy food and basic needs assistance, alleviating some of their financial burden by allowing money intended for groceries to be used towards rent. Thank you for consideration of VEAP's request.

Sincerely,



Kari Thompson
Advancement Director
karit@veap.org