

**MINNETONKA ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES**

**November 14, 2006
6:00 p.m.**

**Boards & Commissions Room
Minnetonka City Hall, Lower Level**

1. CALL TO ORDER.

EDA President Peter St. Peter called the meeting to order at 6:00 p.m.

2. ROLL CALL.

EDA Commissioners present: Liz Bayer, Dan Duffy, Bunny Robinson, Peter St. Peter, Al Thomas, Tony Wagner, and Bob Walker.

EDA Commissioners absent: Dave Larson

Staff present: Ron Rankin and Vanessa Haight

3. APPROVE MINUTES OF SEPTEMBER 19, 2006 EDA MEETING.

Robinson moved, Duffy seconded a motion to approve the September 19, 2006 EDA meeting minutes. All voted yes. Motion passed.

BUSINESS ITEMS

4. 2007 FUNDING REQUESTS

**A. COMMONBOND FUNDING REQUEST FOR CROWN RIDGE
ADVANTAGE CENTER (this item taken up out of sequence).**

Community Development Director Rankin introduced the item, explaining that the funding request is similar to those submitted in the past. The 2007 request for funding includes \$6,000 in rent subsidy for the expanded Advantage Center and \$10,000 toward general funding for the Crown Ridge Advantage Center.

Rankin briefly summarized the programs offered at Crown Ridge, including Study Buddies, Homework Center, and Early Childhood Family Education classes. The Advantage Center staff also works with adults by providing information referral, housing advocacy, short-term counseling, and employment assistance.

Rankin reminded the EDA that when the Advantage Center was originally funded in 2002, the funding was not intended to be continuous. For 2007, staff

recommended EDA approval of funding in the amount of \$7500 instead of the full \$10,000.

Nellie Johnson of CommonBond stated that the partnerships with the School District and the City of Minnetonka have been very important in meeting the needs of the residents through the Advantage Center. The funding provided by these partners has been used to leverage funds from GE and General Mills. Ms. Johnson urged the EDA to fund the full \$10,000 request.

St. Peter asked about the availability of SCIP funds. Rankin explained that the School Districts are receiving less funding while at the same time experiencing more funding requests.

Thomas asked Ms. Johnson to elaborate on the staff turnover mentioned in the staff report. Ms. Johnson explained that some of the turnover was due to internal promotions. The former site manager moved to the regional manager position, resulting in the hiring of a new Crown Ridge site manager.

Walker asked about the chances of receiving the General Mills grant. Ms. Johnson stated that General Mills has been very responsive to their requests, explaining that General Mills provided schools supplies and backpacks for their program.

St. Peter asked staff where the City stands given the financial situation of the Hopkins School District. Rankin responded that he was unsure. St. Peter requested staff follow-up with the Hopkins School District to understand their situation in the next 18 to 24 months.

St. Peter suggested CommonBond solicit other major employers in the west metro for grants and congratulated CommonBond staff on the increased occupancy rates at Crown Ridge.

Duffy asked if the \$6,000 rent subsidy would need to be raised to reflect increased rental costs. Ms. Johnson responded that the city contributes \$6,000 toward the unit and CommonBond covers the difference. Rankin explained that the \$6,000 was part of an agreement that will need to be revisited in 2007.

Robinson asked what will happen if CommonBond cannot secure the pending grants. Ms. Johnson stated that priorities will be determined and cuts to staff and programs are possible.

St. Peter asked about the progress made through the youth programming. Ms. Johnson stated that eight children originally signed up for Study Buddies but that number has now grown to 11 children. An additional AmeriCorp position may be available to help with the homework center.

St. Peter asked about partnerships with other organizations such as the YMCA. Staff from the YMCA stated that there is a very high demand for youth programs and that the YMCA will continue to network with organizations and programs such as the Crown Ridge Advantage Center.

Wagner stated he was okay with funding the full \$10,000 request given the increased occupancy at Crown Ridge.

Thomas suggested funding at the \$7500 level now but also giving CommonBond the option of returning if additional funds cannot be secured.

Thomas moved, Walker seconded a motion that the EDA recommend approval of the \$6,000 in rent contributions toward the expanded Advantage Center and a \$7,500 grant for Crown Ridge Advantage Center programming. St. Peter, Duffy, Thomas and Walker voted yes. Robinson and Wagner voted no. Motion passed.

B. YMCA FUNDING REQUEST FOR MINNETONKA HEIGHTS COMMUNITY ENHANCEMENT PROGRAM

Rankin introduced the item, explaining that the Minnetonka Heights program is similar to the Crown Ridge program. In the case of the Minnetonka Heights program, the YMCA partnered with Minnetonka Heights to create the Community Enhancement Program. Since its original inception in 2001, YMCA has not requested additional funding from the city for the Minnetonka Heights program. Due to the reduction in LCTS dollars, YMCA is now requesting \$20,000 from the city to continue the current level of programming at Minnetonka Heights. The YMCA intends the \$20,000 request to be a one-time request and will aggressively pursue other funding sources to sustain the program in the future. Staff recommended approval of funding in the amount of \$20,000.

St. Peter mentioned that one major contrast between the Crown Ridge program and the Minnetonka Heights program is the amount of city staff time spent on each program.

Wagner asked if the LCTS funds had been eliminated. Rankin clarified saying the funds had been reduced by 60%.

Amanda Larson of the Ridgedale YMCA introduced her colleague, Kim Erickson-Heiar, who has been involved in the Minnetonka Heights program since its inception. Ms. Erickson-Heiar told the EDA that the Minnetonka Heights program is one of the best things the YMCA has done. The program addresses the needs of a very diverse population and has been very successful in connecting residents with available community resources. JoAnne Robinson, Program Director at Minnetonka Heights, has been with the program since its inception. The YMCA tracks progress and success and has seen measurable

improvements. Ms. Erickson-Heiar invited the EDA to visit Minnetonka Heights to observe the programming and community activities.

Duffy asked how interpretation is handled between JoAnne and residents whom do not speak English. Ms. Erickson-Heiar stated that the language barriers are a very challenging aspect of JoAnne's work. Fortunately, the School District provides a language line that can be used for translation.

Walker expressed appreciation for a semi-annual visit to Minnetonka Heights by city staff with an update to EDA. Walker asked YMCA staff to identify a weakness of the Minnetonka Heights program. Ms. Erickson-Heiar responded that longevity of the program is a weakness due to the current funding situation. Another weakness stated was the dependence on JoAnne and the loss the program would suffer if JoAnne moved on.

Thomas told commissioners about his visit to Minnetonka Heights on National Night Out and how he was amazed at the diversity of people. Thomas stated that Minnetonka Heights is a truly unique place within Minnetonka and that this program is a good program and deserves our support. Thomas then noted the lack of transportation on weekends and the problems this creates.

St. Peter suggested the YMCA connect with other organizations and groups on transportation issues.

Wagner moved, Thomas seconded a motion that the EDA recommend approval of the \$20,000 grant for the Minnetonka Heights Community Enhancement Program. All voted yes. Motion passed.

A mid-year site visit will be conducted by staff and report will be given to the EDA.

Thomas asked if programs would be offered at the Williston and Lindberg Recreation Centers for families living in the affordable units throughout the city. Thomas suggested this be investigated and perhaps an appropriate fee schedule for eligible families could be produced.

C. HOMES WITHIN REACH REQUEST FOR FUNDING

Rankin introduced the item, explaining that the 2007 funding request is similar to requests seen in the past. The main difference this year is the inclusion of overhead costs on a per project basis. The \$230,000 will be used to acquire four to six properties. An administrative fee of \$5,000 is charged to the city for each property, up to a cumulative maximum of \$30,000 (or six projects).

Rankin noted the current projects that involve Homes Within Reach including Glen Lake, The Sanctuary, and Deephaven Cove.

Rankin pointed out several charts within the Homes Within Reach funding request proposal including the funding allocation chart, noting the grants received from other communities; the Minnetonka production inventory chart, noting the number of single family homes acquired; and the ownership pool chart, showing 31 total units acquired.

Staff recommended the EDA recommend approval of the \$230,000 grant for Homes Within Reach to acquire four to six properties in 2007.

Ann Perry, Homes Within Reach Board President, expressed her appreciation for the grants and assistance from the city.

Janet Lindbo, Homes Within Reach Executive Director, stated that assistance from Minnetonka leads to the organization's ability to grow. Homes Within Reach works to find matching funds for each City of Minnetonka dollar. The organization is working on expanding fund development to the private sector and is associated with the Minnesota Coalition of Land Trusts. Homes Within Reach networks with a number of seasoned land trusts in order to work on the sustainability of their organization.

Duffy commended Homes Within Reach for their work and asked if an update could be provided regarding buyer profiles.

Ms. Lindbo said she would put together a buyer profile update and include such an update in the quarterly report. Currently, buyers typically already live in the west metro, are an average size of four people, and about half are underserved populations of single women with children. The average AMI for buyers is currently 55%. Buyers of townhomes are more often singles, couples, and single female head of households. The biggest challenge HWR faces is public relations and the limited understanding of a land trust model.

Wagner noted that a majority of the units acquired in 2006 seem to be townhomes. Ms. Lindbo stated that three single-family homes were produced and the rest were townhomes. Wagner asked Ms. Lindbo to speak to what future years might produce given the rising real estate prices. Ms. Lindbo said there needs to be a mix of single-family and townhomes. Wagner suggested the city look into accepting cash in lieu of affordable unit production.

St. Peter reiterated that in the long term, the model does not work without a variable land lease that is dependant on the resident's income. Ms. Lindbo stated that resales are needed and she would keep the EDA informed of their work towards the sustainability of the organization.

Robinson moved, Walker seconded a motion that the EDA recommend approval of the \$230,000 grant for Homes Within Reach. All voted yes. Motion passed.

5. STAFF REPORT.

Rankin and Haight reviewed the staff report items, including a United Health Group update, comprehensive plan preparation update, Shady Oak Road update, the annual MOU with Metro Transit, Glen Lake update, Minnetonka Blvd/County Road 101 update, LCA housing performance score, and upcoming events.

A mistake on the 2007 EDA meeting dates was pointed out. The January EDA meeting is scheduled for Tuesday the 9th. Staff will make changes to handout.

7. OTHER BUSINESS.

The next regular EDA meeting was announced as December 12. It was also mentioned there will also be a joint study session with the Hopkins Council and Minnetonka Council regarding Shady Oak Road on December 12 at 6:30 p.m. in Hopkins. More details will be sent out on this at a later date.

8. ADJOURN.

Thomas moved, Wagner seconded a motion to adjourn the meeting. All voted yes. Motion passed. The meeting adjourned at 7:45 p.m.