



Richfield Housing and Redevelopment Authority

Agenda

March 16, 2026 -- 7:00 PM

Richfield Municipal Center

Council Chambers

6700 Portland Avenue South

1. **Call to Order**
 - a. **Brett Stursa Oath of Office**
 - b. **Election of officers for the Richfield Housing and Redevelopment Authority.**
2. **Roll Call**
3. **Open Forum**
 - a. Participants can share their comments in person, by voicemail, or email, and may also request to participate virtually. For more information on submitting comments, refer to the Housing and Redevelopment Authority Agenda and Minutes page on the [City's Website](#).
4. **Approval of the Agenda**
5. **Approval of Minutes**
 - a. **Approval of the minutes of the 1) Joint Housing and Redevelopment Authority and City Council Work Session of February 17, 2026; and 2) the Regular Housing and Redevelopment Authority Meeting of February 17, 2026.**
6. **Presentations**
7. **Consent Calendar**

Consent Calendar contains several separate items, which are acted upon by the Housing Redevelopment Authority 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 discussion and action. All items listed on the Consent Calendar are recommended for approval.

 - a. **Consideration of an amendment to the Professional Services Agreement with VEAP to provide an additional \$50,000 in Local Affordable Housing Aid funding for emergency rental assistance and the related navigation and servicing of the program.**
 - b. **Consideration of amended and restated Local Housing Incentive Account Subgrant Agreements with Home Source, Inc. and Woodlawn Terrace Cooperative adjusting the funding amounts, outcomes, and deadline for the creation of new affordable housing opportunities in Woodlawn Terrace.**
 - c. **Consider the adoption of a resolution amending the Bylaws of the Housing and Redevelopment Authority to adjust the order of operations.**
 - d. **Consider resolutions designating official depositories for the Housing and Redevelopment Authority for 2026, including the approval of collateral.**
8. **Consideration of Items, if Any Removed From Consent Calendar**
9. **Public Hearings**
10. **Resolutions**
11. **Other Business**
12. **Executive Director's Report**
13. **HRA Discussion Items**
14. **Approval of Claims**
15. **Adjournment**

Auxiliary aids for individuals with accessibility needs are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at 612-861-9739.

Includes Materials - Materials relating to these agenda items can be found in the HRA agenda packet located by the entrance. The complete HRA agenda packet is available electronically on the [City of Richfield's website](#).



Report Prepared By:

LaTonia DuBois, Administrative Assistant

Department Director:

Melissa Poehlman, Community Development Director

Item for Consideration:

Election of officers for the Richfield Housing and Redevelopment Authority.

EXECUTIVE SUMMARY

The Bylaws of the Richfield Housing and Redevelopment Authority (HRA) provide that the HRA hold an annual meeting in March. The Bylaws further provide that the Chair, Vice Chair, and Secretary of the HRA be elected at this meeting.

Officers for 2025 were:

Erin Vrieze Daniels, Chair
Gordon Hanson, Vice Chair
Sean Hayford Oleary, Secretary

RECOMMENDED ACTION

By Motion: Elect officers for the Richfield Housing and Redevelopment Authority for 2026.

HISTORICAL CONTEXT

Provided in the Executive Summary.

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

N/A

POLICIES (RESOLUTIONS, ORDINANCES, REGULATIONS, STATUTES, ETC.)

The HRA Bylaws provide for the election of officers.

CRITICAL TIMING ISSUES

The HRA Bylaws require that an election of officers be held at the annual meeting in March.

FINANCIAL IMPACT

N/A

LEGAL CONSIDERATIONS

N/A

ALTERNATIVE RECOMMENDATION(S)

None.

ATTACHMENTS

None



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

Joint HRA and Council Work Session Meeting February 17, 2026

ITEM #1	CALL TO ORDER
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Acting Chair Hanson called the meeting to order at 6:00 p.m. in the Council Chambers.

HRA Present: Gordon Hanson, Acting Chair; Mary Supple; Sean Hayford Oleary; and John Young.

HRA Absent: Erin Vrieze Daniels, Chair.

Council Present: Walter Burk; Rori Coleman-Woods. *Mayor Supple and Council Member Hayford Oleary sit as members of the Housing and Redevelopment Authority.*

Staff Present: Katie Rodriguez, City Manager; Melissa Poehlman, Executive Director; Julie Urban, Assistant Community Development Director; and Michelle Friedrich, City Clerk.

Guest(s): Brett Stursa

ITEM #2	ITEM DISCUSSION
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- a. Discuss 4d(1) tax classification impacts and possible policy.

Acting Chair Hanson introduced Assistant Community Development Director Urban. Assistant Community Development Director Urban presented an overview of the 4d(1) property tax classification, including eligibility requirements, impacts on the Minnesota property tax system, and how the program can support affordable housing preservation. She explained the Minnesota property tax system and demonstrated the potential tax impact of 4d(1) status, noting it provides tax savings to property owners while shifting tax capacity to other taxpayers. Assistant Community Development Director Urban reviewed examples of how the tool could support preservation of Naturally Occurring Affordable Housing (NOAH), current impacts of 4d(1) status in Richfield, and potential broader impacts if applied to additional properties. Assistant Community Development Director Urban also compared the use of 4d(1) classification and Tax Increment Financing (TIF) through hypothetical development scenarios, highlighting trade-offs between affordability and long-term tax revenue.

Council and HRA members discussed priorities, administrative considerations, taxpayer impacts, TIF versus 4d(1) in supporting affordable housing, and limiting expanded use of 4d(1) due to potential tax burden and service cost concerns.

Staff were provided direction and will follow up with additional information and questions for Council consideration.

ITEM #3	ADJOURNMENT
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This meeting was adjourned by unanimous consent at 6:53 p.m.

Date Approved: March 16, 2026

Gordon Hanson
HRA Acting Chair

Michelle Friedrich
City Clerk

Melissa Poehlman
Executive Director

DRAFT



HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota
Regular Meeting
February 17, 2026

1. CALL TO ORDER

Chair Vrieze Daniels called the meeting to order at 7:00 p.m. in the Council Chambers.

2. ROLL CALL

HRA Present: Erin Vrieze Daniels, Chair; Gordon Hanson; John Young; Mary Supple; Sean Hayford Oleary.

Staff Present: Melissa Poehlman, Executive Director; Julie Urban, Assistant Community Development Director; Jan Youngquist, Economic Development Manager; and Michelle Friedrich, City Clerk.

3. OPEN FORUM

Chair Vrieze Daniels gave instructions on how to participate in the open forum. No residents participated.

4. APPROVAL OF THE AGENDA

MOTION: made by Young, seconded by Hanson to approve the agenda as presented.

Motion carried:5-0

5. APPROVAL OF THE MINUTES

MOTION: made by Supple, seconded by Hayford Oleary to approve the minutes of the Housing and Redevelopment Authority meeting Minutes of (1) HRA Work Session from January 20, 2026, and (2) HRA Minutes from January 20, 2026, as presented.

Motion carried: 5-0

6. PRESENTATION

a. 2025 HRA/EDA Year in Review

Executive Director Poehlman presented the 2025 Housing and Redevelopment Authority and Economic Development Authority Year in Review, highlighting key housing and economic development accomplishments. Executive Director Poehlman recognized staff for their work and thanked Chair Vrieze Daniels for her years of leadership and service.

7. CONSENT CALENDAR

None.

8. CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM THE CONSENT CALENDAR

None.

9. PUBLIC HEARINGS

None.

10. RESOLUTION(S)

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

Assistant Community Development Director Urban presented a request to approve a Developer Agreement with West Hennepin Affordable Housing Land Trust (dba Homes Within Reach), under the HRA’s New Home Program, which supports affordable homeownership through new construction, acquisition and rehabilitation, and down payment assistance. Assistant Community Development Director Urban noted the agreement provides \$240,000 in HRA funding to Homes Within Reach to acquire, rehabilitate, and resell at least three single-family homes to households earning no more than 80% of the area median income. Assistant Community Development Director Urban explained funding sources include the HRA Affordable Housing Trust Fund, which includes funds from last year’s state matching grant program, and funding from potential Community Development Block Grant funds.

**RESOLUTION 1522
APPROVING DEVELOPER AGREEMENT WITH WEST HENNEPIN AFFORDABLE HOUSING
LAND TRUST DBA HOMES WITHIN REACH**

MOTION: made by Supple, seconded by Young to adopt a resolution approving a Developer Agreement with West Hennepin Affordable Housing Land Trust dba Homes Within Reach for the acquisition, rehabilitation, and sale of at least three houses under the HRA New Home Program.

Motion carried: 5-0

11. OTHER BUSINESS

- a. Consideration of a resolution authorizing the Executive Director to execute a Contract for Demolition with Harkness Excavating for the demolition of 6804 14th Avenue South.

Assistant Community Development Director Urban presented a request to demolish structures at 6804 14th Avenue South, a substandard property acquired by the HRA in 2025 with the intent for future redevelopment through the Richfield Rediscovered program. Assistant Community Development Director Urban explained due to significantly higher costs for deconstruction, staff recommended full demolition by Harkness Excavating.

HRA Commissioners and staff discussed the higher cost of deconstruction compared to demolition, with staff noting increased labor costs, limited competition, and the poor condition of the property with little salvageable material. HRA Commissioners noted proceeding with demolition while balancing sustainability goals and financial responsibility.

RESOLUTION 1523

AUTHORIZING DEMOLITION OF REAL PROPERTY LOCATED AT 6804 14TH AVENUE SOUTH

MOTION: made by Supple, seconded by Hayford Oleary to adopt a resolution authorizing Executive Director Poehlman to execute a Contract with Harkness Excavating for full demolition of all structures located at 6804 14th Avenue South.

Motion carried: 5-0

12. EXECUTIVE DIRECTOR REPORT

Executive Director Poehlman reported progress on the Bring It Home program after receiving a state housing voucher grant. She noted staff are preparing a webinar to educate landlords about the program and encourage participation, with the goal of opening the waiting list in May. Executive Director Poehlman reported staff are also partnering with the County on the School to Housing program to receive referrals from schools and prioritize assistance for families with the greatest housing needs.

13. HRA DISCUSSION ITEMS

HRA Commissioners asked for a brief update on the Volunteers Enlisted to Assist People (VEAP) emergency rental assistance program. Executive Director Poehlman provided an update on the VEAP emergency rental assistance program, noting that the HRA committed \$50,000 last month to support residents affected by Operation Metro Surge. She explained currently, \$12,000 had been spent, with several applications still in process. Executive Director Poehlman noted staff continue to monitor the funds, coordinate with VEAP, and communicate with landlords to anticipate future needs, with the possibility of requesting additional funding next month.

14. APPROVAL OF CLAIMS

MOTION: made by Hanson, seconded by Supple, to approve claims:

<u>U.S. BANK</u>	<u>2/17/2026</u>
HRA Checks #37353-37373	\$104,475.10
Section 8 Checks# 137478-137558	\$262,867.84
TOTAL:	<u>\$367,342.94</u>

Motion carried: 5-0

15. ADJOURNMENT

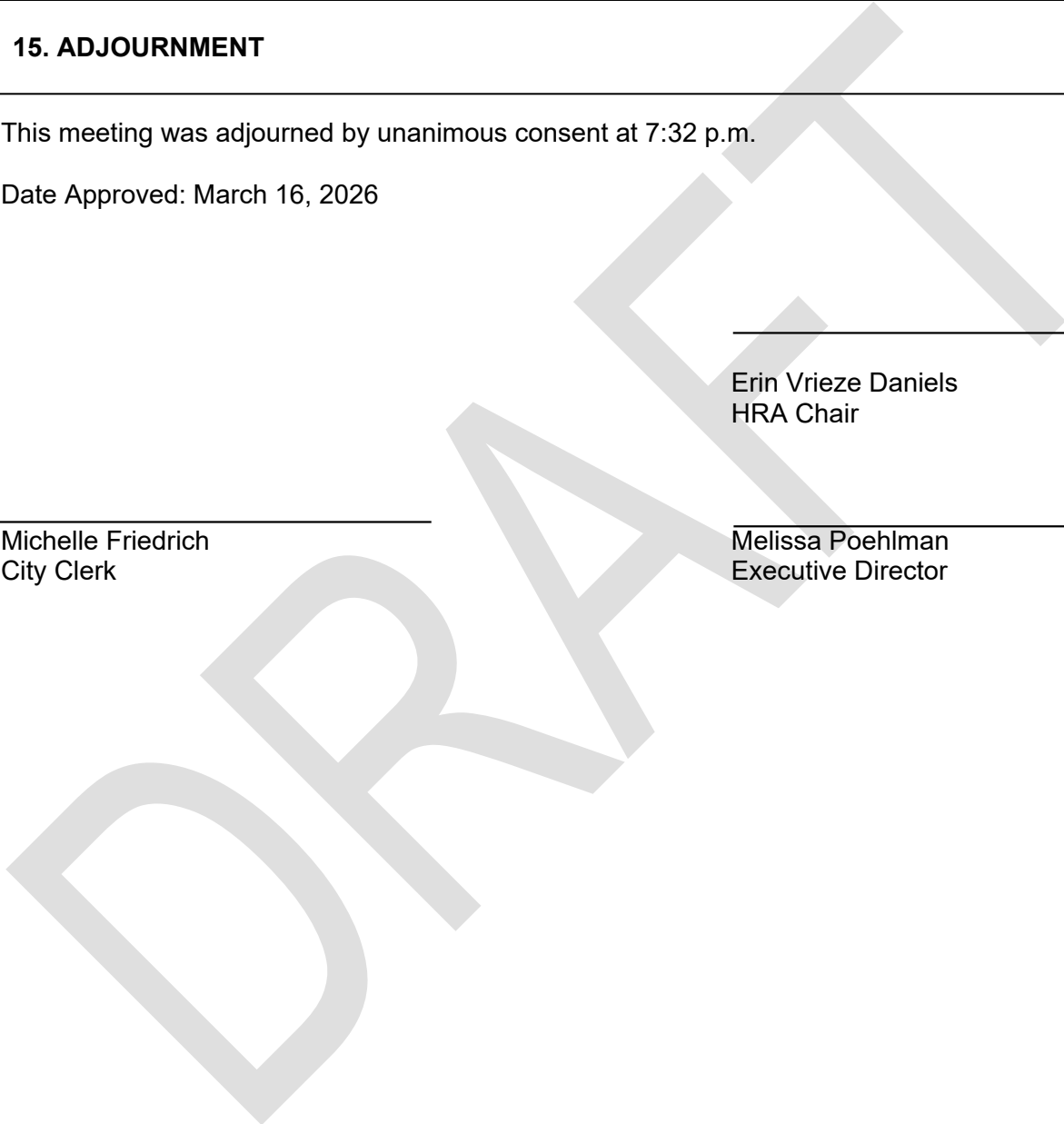
This meeting was adjourned by unanimous consent at 7:32 p.m.

Date Approved: March 16, 2026

Erin Vrieze Daniels
HRA Chair

Michelle Friedrich
City Clerk

Melissa Poehlman
Executive Director





Report Prepared By:

Julie Urban, Assistant Community Development Director

Department Director:

Melissa Poehlman, Community Development Director

Item for Consideration:

Consideration of an amendment to the Professional Services Agreement with VEAP to provide an additional \$50,000 in Local Affordable Housing Aid funding for emergency rental assistance and the related navigation and servicing of the program.

EXECUTIVE SUMMARY

On January 20, 2026, the Housing and Redevelopment Authority (HRA) approved a Professional Services Agreement with VEAP to provide emergency rental assistance to renter households earning no more than 50% of the Area Median Income (AMI). The HRA committed \$50,000 in Local Affordable Housing Aid (LAHA) to VEAP, \$7,500 of which could be used for the navigation and support services needed to provide the assistance.

VEAP has seen an increase in the need for rental assistance related to Operation Metro Surge and, as of March 3, had spent \$36,115.41 of the funds on rental assistance for 15 households as well as the \$7,500 allocated for navigation and support. VEAP is seeking an additional \$50,000 in funding to continue providing assistance. With the funds remaining from the original Agreement and the additional funds, VEAP will likely serve an additional 18–22 households.

RECOMMENDED ACTION

By Motion: Approve an amendment to the Professional Services Agreement with VEAP to provide an additional \$50,000 in Local Affordable Housing Aid funding for emergency rental assistance and the related navigation and servicing of the program.

HISTORICAL CONTEXT

On January 20, 2026, the HRA approved a contract with VEAP to provide emergency rental assistance to Richfield residents and as of March 3rd, VEAP had expended 88% of the funds. Given the increased demand for rental assistance due to the Operation Metro Surge, VEAP is requesting an additional \$50,000 to continue to address the significant need for assistance.

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

- Providing temporary rental assistance to households with low incomes provides housing stability and helps to maintain Richfield as an affordable place to live.

- A significant percentage of Richfield renters are households of color, and ensuring housing stability reduces racial inequities and helps all residents to thrive. Typically, 47% of the households VEAP assists are Latine and from other immigrant communities.

POLICIES (RESOLUTIONS, ORDINANCES, REGULATIONS, STATUTES, ETC.)

- LAHA is funding collected through a metro-area sales tax and allocated to cities, counties and Tribal Nations to develop and preserve affordable housing. Eligible uses for the funds include emergency rental assistance, financial support to non-profit housing providers, financing for the construction and rehabilitation of affordable housing, and funding for housing supportive services. Richfield received a total of \$877,465.49 in LAHA in 2024 and 2025.
- Funds can be spent on rental housing serving households earning up to 80% of the AMI; however, priority is to be given to households earning less than 50% of the AMI.

CRITICAL TIMING ISSUES

- Execution of an amendment to the Agreement will allow VEAP to continue serving Richfield residents with emergency rental assistance.

FINANCIAL IMPACT

- The HRA has spent approximately \$185,000 in LAHA to-date, has committed an additional \$450,000 to existing and potential new program(s) in the 2026 budget (including the original \$50,000), leaving approximately \$242,000 in LAHA funds available to commit. Additional funds are expected in 2026.
- The Amendment would provide an additional \$50,000 in LAHA funds to VEAP with \$5,000 for navigation and support services.

LEGAL CONSIDERATIONS

- Emergency rental assistance and "navigation and services" related to providing that assistance are eligible uses of LAHA funds.

ALTERNATIVE RECOMMENDATION(S)

1. Decide not to award an additional \$50,000 to VEAP for emergency rental assistance.
2. Decide to award a different amount of funding to VEAP.

ATTACHMENTS

1. VEAP LAHA Agreement AMENDMENT 1

AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT

This Amendment to Professional Services Agreement (the “Amendment”) is entered into on this ____ day of _____, 2026, by and between the HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RICHFIELD, MINNESOTA, a body politic and corporate under the laws of the State of Minnesota ("HRA"), and VEAP, INC., a Minnesota nonprofit corporation ("Contractor"). The Original Agreement, as amended by this Amendment is referred to herein as the “Agreement,”

WITNESSETH:

WHEREAS, pursuant to the Original Agreement approved by the HRA on the 20th day of January, 2026, the HRA agreed to provide \$50,000 in assistance to the Contractor for emergency rental assistance to individuals as provided under Minn. Stat. 477A.35, subd. 4(a)(1) and for the cost of navigation and supports; and

WHEREAS, as of March 3, 2026, the Contractor has expended \$36,115.41 to provide limited emergency rent assistance and \$7,500 in navigation and supports to help maintain housing stability and prevent homelessness to 15 households;

WHEREAS, the Contractor is seeing additional need for the assistance and is therefore requesting an additional \$45,000 to continue providing assistance to individuals and an additional \$5,000 for navigation and supports for total additional funds in the amount of \$50,000;

WHEREAS, the parties wish to amend the Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein, parties do hereby agree that the Agreement is amended as follows:

1. Amendment to Item 1: FUNDS. The amount of the payment is increased \$50,000 for a total payment not to exceed \$100,000.
2. Amendment to Item 2: ELIGIBILITY CRITERIA. Twelve and-a-half percent of the total Funds (up to \$12,500) may be used for the navigation and servicing of this program.
3. Confirmation of Agreement. Except as specifically amended herein, the Agreement is hereby ratified and confirmed and remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment by its duly authorized officers as of the day and year first above written.

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF RICHFIELD (HRA)

VEAP, INC.
(CONTRACTOR)

By: _____
Name:
Title: Chair

By: _____
Name: Kari Thompson
Title: Executive Director

By: _____
Name: Melissa Poehlman
Title: Executive Director



Report Prepared By:

Julie Urban, Assistant Community Development Director

Department Director:

Melissa Poehlman, Community Development Director

Item for Consideration:

Consideration of amended and restated Local Housing Incentive Account Subgrant Agreements with Home Source, Inc. and Woodlawn Terrace Cooperative adjusting the funding amounts, outcomes, and deadline for the creation of new affordable housing opportunities in Woodlawn Terrace.

EXECUTIVE SUMMARY

In 2023, the Housing and Redevelopment Authority received a \$192,000 Local Housing Incentives Account (LHIA) grant on behalf of Woodlawn Terrace Cooperative (7421 Lyndale Avenue) to create new housing opportunities within the community. Woodlawn Terrace Cooperative (WTC) works in cooperation with Home Source, Inc. (Home Source) to bring in new, two and three-bedroom units into the community, and the grant provides funding to fill the affordability gap and make the three-bedroom units affordable to households earning no more than 80% of the Area Median Income (AMI).

The grant covers WTC's costs to demolish abandoned units and prepare lots for new homes (e.g., tree removal, crowning the lot, upgrading utilities). Additional funds are paid to Home Source to reduce the price of the unit to an amount affordable to an income-qualified buyer (affordability gap). Subgrantee Agreements (Agreements) were executed with both entities in 2024 and since then, actual costs have been refined, which necessitates adjusting the dollar amounts in each Agreement. The amended and restated Agreements make the following adjustments:

- WTC is eligible for up to \$28,250 in grant funds (down from \$120,750);
- Home Source is eligible for up to \$168,750 (up from \$71,250);
- A minimum of three, three-bedroom units must be sold affordably under the grant and up to four additional two and/or three-bedroom units could be sold affordably as funds allow; and
- The grant deadline is extended to December 31, 2026.

RECOMMENDED ACTION

By Motion: Approve the amended and restated Local Housing Incentive Account Subgrant Agreements with Home Source, Inc. and Woodlawn Terrace Cooperative adjusting funding amounts and outcomes and extending the deadline for use of the funds; and authorizing the Chair and Executive Director to execute the Agreements.

HISTORICAL CONTEXT

Residents of the Woodlawn Terrace manufactured home community formed a cooperative and purchased the community in 2021. The Housing and Redevelopment Authority (HRA) has provided funds to the community for utility upgrades, rehabilitation of permanent structures, and applied for LHIA funds on WTC's behalf to bring in new units to the community and make them affordable to income-qualified buyers.

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

- The HRA's support of WTC preserves existing and creates new affordable housing, consistent with the Strategic Plan goal to maintain Richfield as an affordable place to live.
- Home Source and WTC have successfully marketed the program to communities that have historically faced barriers to accessing the homeownership market.

POLICIES (RESOLUTIONS, ORDINANCES, REGULATIONS, STATUTES, ETC.)

The HRA is required to be in compliance with the LHIA Program guidelines. The Agreements ensure that any Subgrantee the HRA gives funds to is also in compliance with the guidelines.

CRITICAL TIMING ISSUES

- Home Source has sold two homes using the grant. The funding amounts in the Agreements need to be adjusted before any additional homes can be sold under the program.
- The amended and restated Agreements extend the deadline for spending the grant to December 31, 2026. That extension has been approved by the Metropolitan Council.

FINANCIAL IMPACT

- Of the \$192,000 grant awarded to the HRA, a total of \$111,250 remains to be spent (\$16,250 for WTC and \$95,000 for Home Source).
- WTC was able to obtain additional grant funding for lot preparation expenses and does not need the original funding amount, which frees up funding to support additional affordable units.

LEGAL CONSIDERATIONS

- The Agreements were prepared by the HRA Attorney.
- Both Subgrantees are subject to the requirements of the LHIA grant.

ALTERNATIVE RECOMMENDATION(S)

Decide not to amend the Agreements.

ATTACHMENTS

1. WLT Cooperative LHIA Sub-grant Agreement AMENDED AND RESTATED

2. Home Source LHIA Sub-grant Agreement AMENDED AND RESTATED

AMENDED AND RESTATED SUB-GRANT AGREEMENT

(Metropolitan Council Livable Communities Act Grant – Local Housing Incentives Account – Affordable Homeownership Grant Program)

THIS SUB-GRANT AGREEMENT (the “Agreement”) is made as of this ___ day of _____, 2026 (the “Effective Date”), between the HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RICHFIELD, MINNESOTA, a public body corporate and politic of the State of Minnesota (the “Grantee”), and WOODLAWN TERRACE COOPERATIVE, a Minnesota nonprofit cooperative (the “Sub-Grantee”).

WHEREAS, the Grantee and Metropolitan Council entered into the Metropolitan Livable Communities Act Grant Agreement, effective as of January 25, 2023 (the “Grant Agreement”), a copy of which is attached hereto as EXHIBIT A and is incorporated herein and made part of this Agreement; and

WHEREAS, the Grant Agreement provides that Metropolitan Council is to grant to the Grantee a sum not to exceed \$192,000, a portion of which funds in the amount of up to \$28,250 shall be used to reimburse the Sub-Grantee for tree removal, lot crowning, and demolition costs incurred in preparation for the creation of at least three new three-bedroom housing units and up to an additional four two- and/or three-bedroom units to be sold to households with incomes of no more than eighty percent (80%) of the area median income (the “Project”) on the property legally described in EXHIBIT B attached hereto (the “Property”); and

WHEREAS, the remainder of the funds derived from the Grant in the amount of up to \$163,750 will be provided to Home Source Inc., a Minnesota corporation, pursuant to a separate Sub-Grant Agreement to reimburse Home Source Inc. for site preparation hard costs, including lot prep, utility connections, and other related costs; and

WHEREAS, the Grantee and the Sub-Grantee have agreed for the Sub-Grantee to assume certain duties and responsibilities of the Grantee under the Grant Agreement in consideration of receiving funds provided for in the Grant Agreement and subject to the terms, conditions, and limitations set forth therein.

NOW, THEREFORE, in consideration of the premises and the mutual promises set forth herein, the parties hereto covenant and agree as follows:

1. Grant Funds. The Grantee will distribute funds received under the Grant Agreement upon the continuing compliance by the Sub-Grantee with its obligations hereunder. The Sub-Grantee shall use the grant proceeds which are being provided by the Grantee under this Agreement solely for the Project, as further specified within the Livable Communities Project Summary (attached to the Grant Agreement). The grant proceeds shall not be used for any ineligible uses as described in the Grant Agreement. The Sub-Grantee understands and agrees that any reduction or termination of Local Housing Incentives Account funds made available to Metropolitan Council from the Local Housing Incentives Account of the Metropolitan Livable Communities Fund may result in a like reduction in the amount of the grant proceeds that will be made available to the Sub-Grantee pursuant to this Agreement. Pursuant to Section 2.08 of the Grant Agreement, the parties agree that none of the grant funds may be made available to any subgrantee or subrecipient without the prior written consent of Metropolitan Council.

2. Grantee’s Obligations. The Grantee will be responsible for reimbursing the Sub-Grantee for the costs of tree removal, crowning, and demolition (the “Activities”) up to a total amount not to exceed \$28,250, which will be funded from the grant proceeds received from Metropolitan Council. The Grantee will disburse funds to the Sub-Grantee pursuant to this Agreement and the Grant Agreement, based upon reimbursement requests submitted by the Sub-Grantee and reviewed and approved by the Grantee and Metropolitan Council. Reimbursement requests must be accompanied by all information and

documentation needed by the Grantee pursuant to Section 2.12 of the Grant Agreement to submit a payment request form to Metropolitan Council. In order to ensure that all funds are drawn prior to the expiration of the grant, all payment requests must be received by the Grantee at least 60 days prior to the grant-term amended expiration date of December 31, 2026, unless extended by the Grantee in writing, otherwise any unrequested funds will be lost. The Grantee shall have no obligation to disburse any of these funds if, at the time of disbursement, the Sub-Grantee is in default under any of the terms of this Agreement.

3. Sub-Grantee's Obligations. The Sub-Grantee shall perform and satisfy certain obligations of the Grantee under the Grant Agreement. Specifically, but without limiting the foregoing, the Sub-Grantee must perform all the following with respect to the Activities and in satisfaction of the Grant Agreement obligations:

- a. The Sub-Grantee will be responsible for performing all of the activities on the Property set forth in the Livable Communities Project Summary that is attached to the Grant Agreement (the "Activities"). All Activities provided by the Sub-Grantee under this Agreement must be performed to the reasonable satisfaction of the Grantee and Metropolitan Council and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Sub-Grantee will not receive payment for Activities found by the Grantee or Metropolitan Council to be reasonably unsatisfactory or performed in violation of federal, state, or local law.
- b. The Sub-Grantee will comply with all requirements and conditions of the Grant Agreement applicable to the Activities that, by their nature, must be performed by Sub-Grantee rather than Grantee and that are conditions of award of funds under the Grant Agreement.
- c. The Sub-Grantee must take all other actions as are needed to ensure compliance with the Grant Agreement and provide such information and assistance to the Grantee as may reasonably be needed to ensure the Grantee can comply with the requirements of the Grant Agreement that, by their nature, must be performed by the Grantee rather than the Sub-Grantee.
- d. In order to permit the Grantee and Metropolitan Council to monitor compliance with this Agreement, the Sub-Grantee shall permit any person that the Grantee or Metropolitan Council designates, at the expense of the Grantee or Metropolitan Council, to visit and inspect the Property, corporate books and financial records and documents of the Sub-Grantee as relevant to receipt and expenditure of the grant funds or this Agreement and to discuss its affairs, finances, and accounts (as they relate to receipt and expenditure of the grant funds or this Agreement) with the principal officers of Sub-Grantee, all at such reasonable times and as often as the Grantee or Metropolitan Council may reasonably request during the term of this Agreement and for a period of six (6) years after the termination of this Agreement.
- e. The Sub-Grantee will not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, membership or activity in a local civil rights commission, disability, sexual orientation or age and will take affirmative action to insure applicants and employees are treated equally with respect to all aspects of employment, rates of pay and other forms of compensation, and selection for training.

- f. If the Sub-Grantee earns any interest or other income from the grant funds received from the Grantee under this Agreement, the Sub-Grantee must use the interest earnings or income only for the purposes of implementing the Activities.
- g. Pursuant to Section 3.01 of the Grant Agreement, because the Project includes affordable housing units, the Grantee is required to ensure that said housing units will remain “affordable,” as that term is defined in the Grant Agreement, for a minimum period of fifteen (15) years. Said obligation may be satisfied if other Project funding sources require an affordability term of at least fifteen (15) years. If at any point it is determined that the Sub-Grantee is not participating in said program or in another state or federal program that will ensure such affordability for the period required via formal instrument, or if there is any other reason to believe that there are no instruments in place to ensure the same, as required in the Grant Agreement, the Sub-Grantee agrees that it will execute any instruments to ensure such affordability, in a form that meets the Grantee’s satisfaction. A failure to adhere to this subsection may result , at Grantee’s request, in the Sub-Grantee being required to pay back grant funds received pursuant to this Agreement.
- h. Pursuant to Section 3.02 of the Grant Agreement, the Sub-Grantee agrees and acknowledges that it, as the Project owner, must adopt and implement an affirmative fair housing marketing plan for all housing units within the Project. To that end, the Sub-Grantee agrees that before it will be eligible for any grant funds under the terms of this Agreement, it shall adopt and implement such a plan, which shall substantially conform to affirmative fair housing marketing plans published by the U.S. Department of Housing and Urban Development (“HUD”) or sample affirmative fair housing marketing plans published by the Minnesota Housing Finance Agency. Such plan shall be made available to Grantee upon its request. A failure to adhere to this subsection may result, at the Grantee’s request, in the Sub-Grantee being required to pay back grant funds received pursuant to this Agreement.

4. Ownership and Condition of the Property. The Sub-Grantee makes the following representations:

- a. It is the owner of the Property in fee simple.
- b. To the best of the Sub-Grantee’s knowledge, the Property does not violate any applicable federal, state, or local law, ordinance, or regulation.
- c. There are no actions, suits, or proceedings pending, at law or in equity, or to the knowledge of the Sub-Grantee threatened, against or affecting it or the Property, and the Sub-Grantee is not in default with respect to any order, writ, injunction, decree, or demand of any court or any governmental authority.
- d. The consummation of this transaction and performance of the Sub-Grantee’s obligations under this Agreement will not result in any breach of, or constitute a default under any mortgage, deed of trust, lease, bank loan, or credit agreement, partnership agreement, or other instrument which affects the Sub-Grantee, or to which the Sub-Grantee is a party.
- e. It has not used the Property in connection with the generation, disposal, storage, treatment, or transportation of hazardous substances and that the Property will not be so used during the term of this Agreement by the Sub-Grantee, its agents, tenants, or assigns, except in

compliance with a Minnesota Pollution Control Agency (“MPCA”) approved Development Response Action Plan.

- f. It has obtained or caused its contractors and/or affiliates to obtain, all the insurance described in Section 5 hereof and such policies of insurance are in full force and effect as of the date of this Agreement.
 - g. The individual(s) signing this Agreement on behalf of the Sub-Grantee are duly authorized to execute this Agreement on the Sub-Grantee’s behalf.
5. Affirmative Covenants. The Sub-Grantee hereby covenants and agrees that it shall:
- a. Insurance.
 - i. Purchase and maintain such insurance, or cause its contractors and/or affiliates to purchase and maintain such insurance, as will protect it from claims which may arise out of, or result from, the Activities completed under this Agreement, whether such operations be by the Sub-Grantee or by any subcontractor, or by anyone directly employed by them, or by anyone for whose acts any one of them may be liable.
 - ii. For the term of this Agreement and in connection with the Activities completed pursuant to this Agreement, secure the following coverages and comply with all provisions noted, or cause its contractors and/or affiliates to secure, the following coverages and comply with all provisions noted. Upon written request by Grantee, during the term of this Agreement, the Sub-Grantee will provide certificates of insurance evidencing current coverages.

Commercial General Liability Insurance:

\$1,500,000 per occurrence
\$2,000,000 general aggregate
\$2,000,000 products/completed operations total limit
\$1,000,000 personal injury and advertising injury

This policy shall be written on an occurrence basis using ISO form CG 00 01 or its equivalent. The Sub-Grantee represents that there is no per claim limit under the Sub-Grantee’s occurrence-based policy. Coverage shall include contractual liability and XCU. Notwithstanding the foregoing, the Sub-Grantee will obtain, or cause its contractor and/or affiliates to obtain completed operations coverage for three (3) years after substantial completion of the Activities. Upon written request by the Grantee, the Sub-Grantee is required to add, or to cause its contractors and/or affiliates to add, the Grantee and any specified officials, employees, volunteers, and agents as Additional Insureds to the Commercial General Liability and Umbrella policies fulfilling the requirements of this Agreement with respect to liabilities caused in whole or in part by the Sub-Grantee’s acts or omissions, or the acts or omissions of those acting on the Sub-Grantee’s behalf in the performance of the ongoing operations, services, and completed operations of the Sub-Grantee under this Agreement. The coverage provides shall be primary and non-contributory.

Automobile Insurance:

Coverage shall be provided for hired, non-owned, and owned automobiles. Minimum limits of \$1,000,000 combined single limit.

Workers' Compensation and Employers' Liability:

Workers' Compensation as required by Minnesota statutes.
Employers' Liability Limits: \$500,000/\$500,000/\$500,000

Professional Liability/Errors and Omissions Coverage (if applicable):

Per Claim Limit: \$500,000
Per Occurrence Limit: \$1,500,000
Aggregate Limit: \$2,000,000

This policy is to be written as acceptable to the Grantee. Certificates of Insurance must indicate if the policy is issued on a claims-made or occurrence basis. If coverage is carried on a claims-made basis, then (1) the retroactive date shall be noted on the certificate and shall be prior to or the day of the inception of this Agreement; and (2) evidence of coverage shall be provided for three (3) years beyond expiration of this Agreement.

- iii. The Sub-Grantee shall provide the Grantee with prior notice of any lapse in the insurance required under this Agreement including cancellation, and/or non-renewal or material change in coverage.
 - iv. The above sub-paragraphs establish minimum insurance requirements, and it is the sole responsibility of the Sub-Grantee to purchase and maintain, or cause its contractors and/or affiliates to purchase and maintain, additional coverages as the Sub-Grantee may deem necessary in connection with this Agreement.
 - v. The Certificate of Insurance must demonstrate that the policy is issued pursuant to these requirements. Copies of insurance policies shall be submitted to the Grantee upon written request.
 - vi. Certificates shall specifically indicate if the policy is written with an admitted or non-admitted carrier. Best's Rating for the insurer shall be noted on the certificate and shall not be less than an A-.
- b. To the fullest extent permitted by law, the Sub-Grantee shall defend, indemnify, and hold harmless the Grantee and Metropolitan Council and their officials, employees, and agents from and against all claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from the conduct or implementation of the Activities funded by this Agreement, except to the extent the claims, damages, losses, and expenses arise from the own negligence of the Grantee or Metropolitan Council. Claims included in this indemnification include without limitation any claims asserted pursuant to the Minnesota Environmental Response and Liability Act (MERLA), Minnesota Statutes, Chapter 115B (CERCLA), as amended, United States Code Title 42, Section 9601 et seq., and the federal Resource Conservation and Recovery Act of 1976 (RCRA) as amended,

United States Code Title 42, Sections 6901 et seq. This obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which otherwise would survive the expiration or termination of this Agreement. This indemnification shall not be construed as a waiver on the part of either the Grantee or Metropolitan Council of any immunities or limits on liability provided by Minnesota Statutes Chapter 466 or other applicable state or federal law.

- c. Promptly pay and discharge all taxes, assessments, and other governmental charges imposed upon it or upon its income and profits or upon the Property, and any and all claims for labor, material or supplies or rental charges or charges of any other kind which, if unpaid, might by law become a lien or charge upon the Property, provided, however, that the Sub-Grantee shall not be required to pay any such tax, assessment, charge or claim, if the Sub-Grantee is contesting the validity of such matters, in good faith, through appropriate proceedings, and the Sub-Grantee sets aside on its books adequate reserves for the payment of such claims.
- d. Maintain the Property in good repair, working order, and condition and from time to time, make or cause to be made all necessary renewals, replacements, and repairs so that at all times the Sub-Grantee's business can be conducted efficiently.
- e. Establish and maintain accurate and complete accounts and records relating to the receipt and expenditure of all grant funds received from the Grantee. Notwithstanding the expiration and termination provisions of this Agreement, such accounts and records shall be kept and maintained by the Sub-Grantee for a period of six (6) years following the completion of the Activities for six (6) years following the expenditure of the grant funds, whichever occurs earlier. Accounting methods shall be in accordance with generally accepted accounting principles.
- f. The accounts and records of the Sub-Grantee shall be audited in the same manner as all other accounts and records of the Sub-Grantee are audited and may be audited or inspected on the Sub-Grantee's premises or otherwise by individuals or organizations designated and authorized by the Grantee or Metropolitan Council at any time, following reasonable notification to the Sub-Grantee, for a period of six (6) years following the completion of the Activities or six (6) years following the expenditure of the grant funds, whichever occurs earlier. Pursuant to Minnesota Statutes, Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices of the Sub-Grantee that are relevant to this Agreement are subject to examination by the Grantee and Metropolitan Council and either the Legislative Auditor or the State Auditor, as appropriate, for a minimum of six (6) years.
- g. The Sub-Grantee shall include in any contract or subcontract for the Activities appropriate provisions to ensure contractor or subcontractor compliance with all applicable state and federal laws and this Agreement, including, but not limited to, federal and state laws relating to stormwater discharges (i.e., Code of Federal Regulations, Title 40, parts 122 and 123 and Metropolitan Council's 2040 Water Resources Policy Plan and the local water management plan). Along with such provisions, the Sub-Grantee shall require that contractors and subcontractors performing activities covered by this grant obtain all required permits, licenses, and certifications, and comply with all applicable state and federal Occupational Safety and Health Act regulations.

- h. Construct the Project to meet all applicable local codes, rehabilitation standards, ordinances, and zoning regulations. The Grantee and Metropolitan Council assume no responsibility for obtaining any applicable local, state, or federal licenses, permits, bonds, authorizations, or approvals necessary to perform or complete the Activities. The Sub-Grantee and its contractors, if any, must comply with all applicable licensing, permitting, bonding, authorization, and approval requirements of federal, state, and local governmental and regulatory agencies, including conservation districts.
- i. Acknowledge the financial assistance provided by Metropolitan Council in promotional materials, press releases, reports and publications relating to the Activities which are funded in whole or in part with the grant funds. The acknowledgment must contain the following or comparable language:

“Financing for this project was provided by the Metropolitan Council Metropolitan Livable Communities Fund.”

Until the Activities are completed, the Sub-Grantee must ensure the above acknowledgment language, or alternative language approved by the authorized agent of Metropolitan Council, is included on all signs (if any) located on the Property or construction sites. The acknowledgments and signage should refer to “Metropolitan Council” (not “Met Council” or “Metro Council”).

- j. Provide the Grantee with all information that is needed by the Grantee to submit the required written progress reports and annual written reports required by Section 4.03 of the Grant Agreement.

6. Negative Covenants. The Sub-Grantee covenants and agrees that for the term of this Agreement, it will not:

- a. Merge or consolidate with or into any other entity.
- b. Default upon any contract or fail to pay any contract or fail to pay any of its debts or obligations as the same mature, subject to the applicable cure periods set forth in such a contract.
- c. Generate, dispose of, use, store, treat, or transport hazardous waste substances on, in, over or across the Property or allow the Sub-Grantee’s tenants to do so; provided, however, that Sub-Grantee may treat or remediate hazardous substances pursuant to an MPCA-approved Development Response Action Plan and the Sub-Grantee and its tenants may use, store, and transport hazardous substances on, over or across the Property as is reasonably necessary to the use of the Property as residential, commercial, or office property provided such use, storage, and transportation complies at all times with all applicable federal, state, and local statutes, codes, regulations, and ordinances.

7. Miscellaneous.

- a. All representations and warranties contained herein or made in writing by or on behalf of the Sub-Grantee in connection with the transactions contemplated hereby shall be made as of the Effective Date but survive the execution and delivery of this Agreement and the advances hereunder. All statements contained in any certificate or other instrument delivered by or on behalf of the Sub-Grantee pursuant thereto or in connection with the

transactions contemplated hereby shall constitute representations and warranties by the Sub-Grantee.

- b. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties.
- c. No amendment, change, waiver, or modification of this Agreement shall be valid unless it is in a written document which Sub-Grantee, and the Grantee sign, and the Grantee's waiver of any breach or default of any of the Sub-Grantee's obligations, agreements, or covenants under this Agreement shall not be deemed to be a waiver of any subsequent breach of this Agreement, or any other obligation, agreement, or covenant. The Grantee's forbearance in pursuing or enforcing a remedy for the Sub-Grantee's breach of any of the obligations set forth in this Agreement shall not be deemed a waiver of the Grantee's rights and remedies with respect to such breach.
- d. This Agreement may be executed simultaneously in two (2) or more counterparts, each of which shall be an original, but all of which shall constitute one (1) agreement.
- e. This Agreement supersedes and has merged into all prior oral agreements between the Grantee and the Sub-Grantee regarding the Activities.
- f. Any notices required or contemplated hereunder shall be effective upon the placing thereof in the United States Mail, certified mail, return receipt requested, postage prepaid, and addressed as follows:

To the Grantee: Housing and Redevelopment Authority
 in and for the City of Richfield, Minnesota
 6700 Portland Avenue South
 Richfield, MN 55423
 Attn: Executive Director

To the Sub-Grantee: Woodlawn Terrace Cooperative
 7421 Lyndale Avenue South
 Richfield, MN 55423
 Attn: President

- g. This Agreement shall be interpreted and construed according to the laws of the State of Minnesota. All litigation regarding this Agreement shall be venued in the appropriate state or federal district court in Hennepin County, Minnesota.
- h. Neither party may assign or transfer its rights and obligations under this Agreement without the prior consent of the other party, provided that such party's assignee or transferee assumes all obligations under this Agreement and the other party consents to the assignment in writing. Said agreement to assignment shall not unreasonably be withheld by the consenting party.

8. Relationship. It is agreed that nothing contained in this Agreement is intended or should be construed as creating the relationship of agents, partners, joint venturers, or associates between the parties hereto or as constituting the Sub-Grantee as the employee of the Grantee for any purpose or in any manner whatsoever. The Sub-Grantee is an independent contractor and neither it, nor its employees, agents, or representatives are employees of the Grantee.

9. MGDPA. All data collected, created, received, maintained or disseminated for any purpose in the course of the Sub-Grantee's performance of this Agreement is governed by the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, and any other applicable state statutes, any state rules adopted to implement the Act and statutes, as well as federal statutes and regulations on data privacy.

10. Copyrights. The Sub-Grantee certifies that it (a) is the owner of any renderings, images, perspectives, sections, diagrams, photographs or other copyrightable materials (collectively "copyrightable materials") that are in the grant application or submitted to the Grantee as part of the grant application process or that the Sub-Grantee is fully authorized to grant permissions regarding the copyrightable materials; and (b) the copyrightable materials do not infringe upon the copyrights of others. The Sub-Grantee agrees that the Grantee and Metropolitan Council have a non-exclusive royalty-free license and all necessary permissions to reproduce and publish the copyrightable materials for noncommercial purposes, including but not limited to press releases, presentations, reports and on the Internet. The Sub-Grantee also agrees that it will not hold the Grantee or Metropolitan Council responsible for the unauthorized use of the copyrightable materials by third parties.

11. Restrictions on Loans or Grants by Sub-Grantee. The Sub-Grantee shall not use the grant proceeds for loans or grants to any subrecipient at any tier unless the Sub-Grantee obtains the prior written consent of Metropolitan Council.

12. Business Subsidy Law. The Sub-Grantee must comply, if appropriate and applicable, with any "business subsidy" requirements of Minnesota Statutes, Sections 116J.993 to 116J.995, that apply to the Sub-Grantee's expenditures or uses of the grant funds. The grant will be used for the creation of affordable housing and subsidies for affordable housing are exempt from the Business Subsidy Law.

13. Expiration and Termination. This Agreement shall automatically expire upon the expiration or termination of the Grant Agreement, or upon the satisfactory completion of all obligations hereunder, whichever occurs first (the "Expiration Date"), except that the obligations contained in Section 3(g) and (h) hereof shall survive any such expiration. This Agreement may be terminated by the Grantee for cause at any time upon fourteen (14) calendar days' written notice to the Sub-Grantee. "For cause" shall mean a material breach of this Agreement and any amendments to this Agreement. If this Agreement is terminated prior to the Expiration Date, the Sub-Grantee shall receive payment on a pro rata basis for eligible Activities that have been completed prior to the termination. Termination of this Agreement does not alter the authority of the Grantee or Metropolitan Council to recover grant funds on the basis of a later audit or other review, and does not alter the Sub-Grantee's obligation to return any grant funds due to the Grantee or Metropolitan Council as a result of later audits or corrections. If the Grantee or Metropolitan Council determines that the Sub-Grantee has failed to comply with the terms and conditions of this Agreement, the Grant Agreement, or the applicable provisions of Metropolitan Livable Communities Act, the Grantee may take any action to protect the interests of the Grantee or Metropolitan Council and may refuse to disburse additional grant funds and may require the Sub-Grantee to return all or part of the grant funds already disbursed.

14. Effect of Grant. Issuance of this grant neither implies any Grantee or Metropolitan Council responsibility for the condition of the Property nor imposes any obligation on the Grantee or Metropolitan Council to participate in any activities on the Property. By awarding grant funds to the Sub-Grantee for the Activities and executing this Agreement, the Grantee and Metropolitan Council assume no responsibility for (a) any damage to persons, property, or the environment caused by implementation of the Activities; or (b) determining whether intended uses of the Property identified in the grant application or potential future uses of the Property, including any residential uses, are suitable for the Property.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands to this Sub-Grant Agreement as of the date and year first written above.

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

By _____
Its Chair

By _____
Its Executive Director

Execution page of the Sub-Grantee to the Sub-Grant Agreement, dated the date and year first written above.

WOODLAWN TERRACE COOPERATIVE

By _____
Its President

By _____
Its Vice President

EXHIBIT A

GRANT AGREEMENT

**LOCAL HOUSING INCENTIVES ACCOUNT
AFFORDABLE HOMEOWNERSHIP GRANT PROGRAM**

GRANTEE: Housing and Redevelopment Authority in and for the City of Richfield		GRANT NO. SG- 18444
PROJECT: Woodlawn Terrace		
GRANT AMOUNT: \$ 192,000	FUNDING CYCLE: 2022	
COUNCIL ACTION: January 25, 2023	EXPIRATION DATE: December 31, 2025	

**METROPOLITAN LIVABLE COMMUNITIES ACT
GRANT AGREEMENT**

THIS GRANT AGREEMENT (“Agreement”) is made and entered into by the Metropolitan Council (“Council”) and the Municipality or Development Authority identified above as “Grantee.”

WHEREAS, Minnesota Statutes section 473.251 creates the Metropolitan Livable Communities Fund, the uses of which fund must be consistent with and promote the purposes of the Metropolitan Livable Communities Act (“LCA”) and the policies of the Council’s Metropolitan Development Guide; and

WHEREAS, Minnesota Statutes sections 473.251 and 473.254 establish within the Metropolitan Livable Communities Fund a Local Housing Incentives Account and require the Council to annually distribute funds in the account to Participating Municipalities that have not met their affordable and life-cycle housing goals and are actively funding projects designed to help meet the goals, or to Development Authorities for projects located in Participating Municipalities; and

WHEREAS, the Grantee is a Municipality that has negotiated affordable and life-cycle housing goals pursuant to Minnesota Statutes section 473.254, subdivision 2 and has elected to participate in the Local Housing Incentives Account program, or is a Development Authority; and

WHEREAS, at its March 9, 2022 meeting the Council approved an annual LCA Fund Distribution Plan that authorized a Local Housing Incentives Account Affordable Homeownership Pilot program; and

WHEREAS, the Grantee seeks funding in connection with an application for Local Housing Incentives Account Affordable Homeownership Pilot funds submitted in response to a Request for Proposals issued by the Council for the “Funding Cycle” identified above and will use the grant funds made available under this Agreement to help fund the “Project” identified in the application; and

WHEREAS, the Council awarded Local Housing Incentives Account Affordable Homeownership Pilot grant program funds to the Grantee subject to any terms, conditions, and clarifications stated in its Council Action, and with the understanding that the Project identified in the application will proceed to completion in a timely manner, all grant funds will be expended prior to the “Expiration Date” identified above and Project construction will have “commenced” before the Expiration Date.

NOW THEREFORE, in reliance on the above statements and in consideration of the mutual promises and covenants contained in this Agreement, the Grantee and the Council agree as follows:

LOCAL HOUSING INCENTIVES ACCOUNT
AFFORDABLE HOMEOWNERSHIP GRANT PROGRAM

I. DEFINITIONS

1.01. Definition of Terms. The terms defined in this section have the meanings given them in this section unless otherwise provided or indicated by the context.

- (a) **Commenced.** For the purposes of Sections 2.09 and 5.03, “commenced” means significant physical improvements have occurred in furtherance of the Project (*e.g.*, a foundation is being constructed or other tangible work on a structure has been initiated). In the absence of significant physical improvements, visible staking, engineering, land surveying, soil testing, cleanup site investigation, or pollution cleanup activities are not evidence of Project commencement for the purposes of this Agreement.
- (b) **Council Action.** “Council Action” means the action or decision of the governing body of the Metropolitan Council, on the meeting date identified at Page 1 of this Agreement, by which the Grantee was awarded Local Housing Incentives Account Affordable Homeownership Pilot funds.
- (c) **Development Authority.** “Development Authority” means a housing and redevelopment authority, economic development authority, or port authority.
- (d) **Metropolitan Area.** “Metropolitan Area” means the seven-county metropolitan area as defined by Minnesota Statutes section 473.121, subdivision 2.
- (e) **Municipality.** “Municipality” means a statutory or home rule charter city or town in the Metropolitan Area.
- (f) **Participating Municipality.** “Participating Municipality” means a Municipality electing to participate in the Local Housing Incentives Account program under Minnesota Statutes section 473.254.
- (g) **Project.** Unless clearly indicated otherwise by the context of a specific provision of this Agreement, “Project” means the development or redevelopment project identified in the application for Local Housing Incentives Account Affordable Homeownership Pilot funds for which grant funds were requested. Grant-funded activities typically are components of the Project.

II. GRANT FUNDS

2.01. Source of Funds. The grant funds made available to the Grantee under this Agreement are from the Local Housing Incentives Account of the Metropolitan Livable Communities Fund. The grant funds are derived from property taxes authorized by Minnesota Statutes sections 473.249, 473.253 and 473.254, subdivision 5 and are not from State or federal sources.

2.02. Total Grant Amount. The Council will grant to the Grantee the “Grant Amount” identified at Page 1 of this Agreement. Notwithstanding any other provision of this Agreement, the Grantee understands and agrees that any reduction or termination of Local Housing Incentives Account funds made available to the Council, or any reduction or termination of the dollar-for-dollar match amount required under Section 2.03, may result in a like reduction in the Grant Amount made available to the Grantee.

LOCAL HOUSING INCENTIVES ACCOUNT
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2.03. Match Requirement. Pursuant to Minnesota Statutes section 473.254, subdivision 6, the Grantee shall match on a dollar-for-dollar basis the total Grant Amount received from the Council under Section 2.02. The source and amount of the dollar-for-dollar match are identified in the Project Summary attached to and incorporated into this Agreement as Attachment A. With prior approval of the Council’s grant administrator the Grantee may change the source of the required match without a formal amendment to this Agreement, provided the change of match source is memorialized in a revised Project Summary.

2.04. Authorized Use of Grant Funds. The Grant Amount made available to the Grantee under this Agreement shall be used only for the purposes and Project activities described in the application for Local Housing Incentives Account Affordable Homeownership Pilot funds. A Project summary that identifies eligible uses of the grant funds as approved by the Council is attached to and incorporated into this Agreement as Attachment A. Grant funds must be used for purposes consistent with Minnesota Statutes section 473.25(a), in a Participating Municipality.

2.05. Ineligible Uses. Grant funds must be used for costs directly associated with the specific proposed Project activities and shall not be used for “soft costs” such as: administrative overhead; travel expenses; legal fees; insurance; bonds; permits, licenses, or authorization fees; costs associated with preparing other grant proposals; operating expenses; planning costs, including comprehensive planning costs; and prorated lease and salary costs. Grant funds may not be used for costs of Project activities that occurred prior to the grant award, unless specifically included in the Project Summary or otherwise approved by the Council Action. A detailed list of ineligible and eligible costs is available from the Council’s Livable Communities program office. Grant funds also shall not be used by the Grantee or others to supplant or replace: (a) grant or loan funds obtained for the Project from other sources; (b) Grantee contributions to the Project, including financial assistance, real property or other resources of the Grantee; or (c) funding or budgetary commitments made by the Grantee or others prior to the Council Action, unless specifically authorized by the Council. The Council shall bear no responsibility for cost overruns which may be incurred by the Grantee or others in the implementation or performance of the Project activities. The Grantee agrees to comply with any “business subsidy” requirements of Minnesota Statutes sections 116J.993 to 116J.995 that apply to the Grantee’s expenditures or uses of the grant funds.

2.06. [reserved]

2.07. Revolving or Deferred Loans. If consistent with the application and the Project summary or if requested in writing by the Grantee, the Grantee may use the grant funds to make deferred loans (loans made without interest or periodic payments), revolving loans (loans made with interest and periodic payments) or otherwise make the grant funds available on a “revolving” basis for the purposes of implementing the Project activities described or identified in Attachment A. The Grantee will submit annual written reports to the Council that report on the uses of the grant funds. The Council will determine the form and content of the report. This annual reporting requirement is in addition to the reporting requirements stated in Section 4.03. Notwithstanding the Expiration Date identified at Page 1 of this Agreement and referenced in Section 5.01, the Grantee will submit the annual reports until the deferred or revolving loan programs terminate, or until the Council terminates this annual reporting requirement by written notice to the Grantee. At its discretion, the Council may: (1) permit the Grantee to use loan repayments to continue supporting affordable housing components of the Project; or (2) require the Grantee to remit the grant funds to the Council.

LOCAL HOUSING INCENTIVES ACCOUNT
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2.08. Restrictions on Grants and Loans by Subrecipients. The Grantee shall not permit any subgrantee or subrecipient to use the grant funds for grants or loans to any subgrantee or subrecipient at any tier unless the Grantee obtains the prior written consent of the Council. The requirements of this Section 2.08 shall be included in all subgrant and subrecipient agreements.

2.09. Project Commencement and Changes. The Project for which grant funds were requested must be “commenced” prior to the Expiration Date. The Grantee must promptly inform the Council in writing of any significant changes to the Project for which the grant funds were awarded, as well as any potential changes to the grant-funded activities described or identified in Attachment A. Failure to inform the Council of any significant changes to the Project or significant changes to grant-funded components of the Project, and use of grant funds for ineligible or unauthorized purposes, will jeopardize the Grantee’s eligibility for future LCA awards. Grant funds will not be disbursed prior to Council approval of significant changes to either the Project or grant-funded activities described or identified in Attachment A.

2.10. Budget Variance. The Grantee may reallocate up to twenty percent (20%) of the Grant Amount among the grant-funded activities, provided: (a) the grant funds may be used only for Project activities for which the Council awarded the grant funds; (b) the reallocation does not significantly change the Project deliverables; and (c) the Grantee receives written permission from Council staff prior to reallocating any grant funds. Council staff may administratively approve budget reallocation requests that exceed twenty percent (20%) of the Grant Amount only if the reallocation does not significantly change the Project deliverables. Notwithstanding the aggregate or net effect of any variances, the Council’s obligation to provide grant funds under this Agreement shall not exceed the Grant Amount identified at Page 1 of this Agreement.

2.11. Loss of Grant Funds. The Grantee agrees to remit to the Council in a prompt manner: any unspent grant funds, including any grant funds that are not expended prior to the Expiration Date identified at Page 1 of this Agreement; any grant funds that are not used for the authorized purposes; any grant funds that are not matched on a dollar-for-dollar basis as required by Section 2.03; and any interest earnings described in Section 2.13 that are not used for the purposes of implementing the grant-funded Project activities described or identified in Attachment A. For the purposes of this Agreement, grant funds are “expended” prior to the Expiration Date if the Grantee pays or is obligated to pay for expenses of eligible grant-funded Project activities that occurred prior to the Expiration Date and the eligible expenses were incurred prior to the Expiration Date. Unspent or unused grant funds and other funds remitted to the Council shall revert to the Council’s Local Housing Incentives Account for distribution through application processes in future Funding Cycles or as otherwise permitted by law.

2.12. Payment Request Forms, Documentation, and Disbursements. The Council will disburse grant funds in response to payment requests submitted by the Grantee through the Council’s online grant management system and reviewed and approved by the Council’s authorized agent. Payment requests shall be made using payment request forms, the form and content of which will be determined by the Council. Payment request and other reporting forms will be provided to the Grantee by the Council. The Council will disburse grant funds on a reimbursement basis or a “cost incurred” basis. To obtain reimbursement under this Agreement, the Grantee shall provide the Council with evidence that the eligible grant-funded Project activities (or a portion thereof) for which reimbursement has been requested have been satisfactorily completed. The Grantee shall describe the grant-eligible activities for which reimbursement is requested and shall provide sufficient documentation of grant-eligible expenditures, invoices and payment documents, and such other information as the Council reasonably

LOCAL HOUSING INCENTIVES ACCOUNT
AFFORDABLE HOMEOWNERSHIP GRANT PROGRAM

requests. The Council will make the final determination whether the expenditures are eligible for reimbursement under this Agreement, and verify the total amount requested from the Council. Reimbursement of any costs does not constitute a waiver by the Council of any Grantee noncompliance with this Agreement. Payment requests must include the following documentation:

Consultant/contractor invoices showing the time period covered by the invoice; the specific grant-funded Project activities conducted or completed during the authorized time period within which eligible costs may be incurred; and documentation supporting expenses including subcontractor and consultant invoices showing unit rates, quantities, and a description of the good or services provided. Subcontractor markups shall not exceed ten percent (10%).

The Council shall disburse grant funds for all grant-eligible expenditures within thirty-five (35) days of the receipt of satisfactory documentation from the Grantee. **NOTWITHSTANDING THE PROVISIONS OF THIS SECTION 2.12, THE COUNCIL WILL NOT DISBURSE ANY GRANT FUNDS TO THE GRANTEE UNLESS THE PARTICIPATING MUNICIPALITY HAS ADOPTED A FAIR HOUSING POLICY AS REQUIRED BY SECTION 3.04.**

2.13. Interest Earnings. If the Grantee earns any interest or other income from the grant funds received from the Council under this Agreement, the Grantee will use the interest earnings or income only for the purposes of implementing the Project activities described or identified in Attachment A.

2.14. Effect of Grant. Issuance of this grant neither implies any Council responsibility for contamination, if any, at the Project site nor imposes any obligation on the Council to participate in any pollution cleanup of the Project site if such cleanup is undertaken or required.

2.15. Resale Limitations. The Grantee must impose resale limitations regarding the disposition of any equity realized by the purchasers of “affordable” units if grant funds received from the Council under this Agreement are used for homeownership affordability gap financing in the Project described or identified in Attachment A. The intent of this resale limitation is to protect the public investment in the Project and ensure that a proportion of the affordability gap provided by the public investment in the form of grant funds received from the Council is recaptured for reuse in conjunction with other affordable housing efforts and does not become a windfall for any purchaser who might sell the home prior to expiration of a predetermined resale limitation period. If a purchaser sells the “affordable” home prior to expiration of the resale limitation time period, an equitable proportion of the affordability gap filled by grant funds received from the Council under this Agreement must be recaptured by the Grantee within twenty-four (24) months of the triggering resale event and applied to a similar affordable housing project within the Participating Municipality or returned to the Council. Unless otherwise agreed to by the Council and the Grantee, the length of the resale limitation time period and the proportion of the affordability gap to be recovered will be consistent with resale limitation time periods and repayment schedules stated in the Project application. These resale limitations do not apply when the grant funds are used for homeownership value gap financing. The Grantee will provide the Council with a copy of the resale limitations the Grantee imposed on the grant-assisted affordable units, which may include copies of declarations or restrictive covenants recorded against the property.

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AFFORDABLE HOMEOWNERSHIP GRANT PROGRAM

III. AFFORDABILITY; AFFIRMATIVE FAIR HOUSING

3.01. Affordability Term. If the Project for which the grant funds were awarded includes affordable housing units, the Grantee shall, through written instruments or otherwise, ensure the affordable units will remain affordable for a minimum period of fifteen (15) years. The Grantee's obligation under this section may be satisfied if other Project funding sources (*e.g.*, the Minnesota Housing Finance Agency or the U.S. Department of Housing and Urban Development ("HUD") or state or federal laws (*e.g.*, low-income housing tax credit programs) require an affordability term of at least fifteen (15) years. For the purposes of this section, "affordable housing unit" means a unit that is affordable to households at eighty percent (80%) or less of the Area Median Income ("AMI"), as established by HUD, unless the Grantee's application stated an affordability standard lower than eighty percent (80%) of AMI, in which case the Grantee's lower affordability standard shall apply. The affordability requirements of this section shall survive the expiration or termination of this Agreement. If the affordable housing units are made available for homeownership then they are subject to the resale limitations specified in Section 2.15 and the affordability requirements of this section only apply if Council funds pay more than half of the housing unit's affordability gap stated in the Project application.

3.02. Affirmative Fair Housing Marketing Plans. If the Project for which the grant funds were awarded is a housing project or includes housing units (whether market rate or affordable), the Grantee shall, through written instruments or otherwise, ensure the Project owner (and any subsequent owner(s)) adopts and implements an affirmative fair housing marketing plan for all Project housing units. For the purposes of this section, "affirmative fair housing marketing plan" means an affirmative fair housing marketing plan that substantially conforms to affirmative fair housing marketing plans published by the U.S. Department of Housing and Urban Development ("HUD") or sample affirmative fair housing marketing plans published by the Minnesota Housing Finance Agency. The affirmative fair housing marketing plan requirement under this section shall continue for the minimum affordability term specified in Section 3.01 and shall survive the expiration or termination of this Agreement.

3.03. [reserved]

3.04. Fair Housing Policy. If the Project will include a housing component, the governing body of the participating Municipality must have adopted a Fair Housing Policy. For the purposes of this section, the term "Fair Housing Policy" means a written statement regarding the participating Municipality's commitment to fair housing that substantively includes at least the following elements: a purpose statement; procedures for responding to fair housing concerns and complaints; and a designated individual or staff position responsible for fair housing issues. A best practices guide, as well as a copy of a model local fair housing policy is available at: <https://metro council.org/Handbook/Files/Resources/Best-Practices/Fair-Housing-Policy-Guide.aspx>.

IV. ACCOUNTING, AUDIT, AND REPORT REQUIREMENTS

4.01. Accounting and Records. The Grantee agrees to establish and maintain accurate and complete accounts and records relating to the receipt and expenditure of all grant funds received from the Council. Notwithstanding the expiration and termination provisions of Sections 5.01 and 5.02, such accounts and records shall be kept and maintained by the Grantee for a period of six (6) years following the completion of the Project activities described or identified in Attachment A or six

LOCAL HOUSING INCENTIVES ACCOUNT
AFFORDABLE HOMEOWNERSHIP GRANT PROGRAM

(6) years following the expenditure of the grant funds, whichever occurs earlier. For all expenditures of grant funds received pursuant to this Agreement, the Grantee will keep proper financial records and other appropriate documentation sufficient to evidence the nature and expenditure of the dollar-for-dollar match funds required under Section 2.03. Accounting methods shall be in accordance with generally accepted accounting principles.

4.02. Audits. The above accounts and records of the Grantee shall be audited in the same manner as all other accounts and records of the Grantee are audited and may be audited or inspected on the Grantee's premises or otherwise by individuals or organizations designated and authorized by the Council at any time, following reasonable notification to the Grantee, for a period of six (6) years following the completion of the Project activities or six (6) years following the expenditure of the grant funds, whichever occurs earlier. Pursuant to Minnesota Statutes section 16C.05, subdivision 5, the books, records, documents and accounting procedures and practices of the Grantee that are relevant to this Agreement are subject to examination by the Council and either the Legislative Auditor or the State Auditor, as appropriate, for a minimum of six (6) years.

4.03. Reporting and Continuing Requirements. The Grantee will report to the Council on a semi-annual basis by January 31 (for the period of July 1 through December 31) and July 31 (for the period January 1 through June 30) of each calendar year during the term of this Agreement. The Grantee reports shall describe the status of the Project activities described or identified in Attachment A. The report shall also describe the Project spending for the current reporting period and projected spending for the future reporting periods. The Grantee also must complete and submit to the Council a Final Report before the final disbursement of grant funds will be approved. The form and content of the semi-annual status reports and the Final Report will be determined by the Council. These reporting requirements and the reporting requirements of Section 2.07 shall survive the expiration or termination of this Agreement.

4.04. Environmental Site Assessment. The Grantee represents that a Phase I Environmental Site Assessment or other environmental review has been or will be carried out, if such environmental assessment or review is appropriate for the scope and nature of the Project activities funded by this grant, and that any environmental issues have been or will be adequately addressed.

V. AGREEMENT TERM

5.01. Term and Close Out. This Agreement is effective upon execution of this Agreement by the Council. Unless terminated pursuant to Section 5.02, this Agreement expires on the Expiration Date identified at Page 1 of this Agreement. The Grantee has 120 calendar days after the Expiration Date to provide documentation and information necessary to close out this Agreement and receive disbursements for eligible grant-funded Project activities as prescribed in Section 2.04. If the Grantee fails to provide necessary documentation and information during this 120-day close out period, the Grantee shall not be eligible to receive any unpaid grant funds and the Council will not disburse any unpaid grant funds to the Grantee. This 120-day close out period does not extend any Grantee reporting deadlines established in this Agreement or authorize the Grantee to expend or commit any grant funds after the Expiration Date.

5.02. Termination. This Agreement may be terminated by the Council for cause at any time upon fourteen (14) calendar days' written notice to the Grantee. Cause shall mean a material breach of this Agreement and any amendments of this Agreement. If this Agreement is terminated prior to the Expiration Date, the Grantee shall receive payment on a pro rata basis for eligible Project activities

LOCAL HOUSING INCENTIVES ACCOUNT
AFFORDABLE HOMEOWNERSHIP GRANT PROGRAM

described or identified in Attachment A that have been completed prior to the termination. Termination of this Agreement does not alter the Council's authority to recover grant funds on the basis of a later audit or other review and does not alter the Grantee's obligation to return any grant funds due to the Council as a result of later audits or corrections. If the Council determines the Grantee has failed to comply with the terms and conditions of this Agreement and the applicable provisions of the Metropolitan Livable Communities Act, the Council may take any action to protect the Council's interests and may refuse to disburse additional grant funds and may require the Grantee to return all or part of the grant funds already disbursed.

5.03. Amendments and Extension. The Council and the Grantee may amend this Agreement by mutual agreement. Amendments or an extension of this Agreement shall be effective only on the execution of written amendments signed by authorized representatives of the Council and the Grantee. If the Grantee needs a change to the Project, additional time within which to complete grant-funded activities and commence the Project, a change in the budget, or a change in the grant-funded activities the Grantee must submit to the Council **AT LEAST NINETY (90) CALENDAR DAYS PRIOR TO THE EXPIRATION DATE**, a complete, written amendment request. All requirements must be met for a request to be considered complete. **THE EXPIRATION DATE MAY BE EXTENDED, BUT THE PERIOD OF ANY EXTENSION(S) SHALL NOT EXCEED TWO (2) YEARS BEYOND THE ORIGINAL EXPIRATION DATE IDENTIFIED AT PAGE 1 OF THIS AGREEMENT.**

VI. GENERAL PROVISIONS

6.01. Equal Opportunity. The Grantee agrees it will not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, membership or activity in a local civil rights commission, disability, sexual orientation, or age and will take affirmative action to ensure applicants and employees are treated equally with respect to all aspects of employment, rates of pay and other forms of compensation, and selection for training.

6.02. Conflict of Interest. The members, officers, and employees of the Grantee shall comply with all applicable state statutory and regulatory conflict of interest laws and provisions.

6.03. Liability. Subject to the limitations provided in Minnesota Statutes chapter 466, to the fullest extent permitted by law, the Grantee shall defend, indemnify, and hold harmless the Council and its members, employees, and agents from and against all claims, damages, losses, and expenses, including but not limited to attorneys' fees, arising out of or resulting from the conduct or implementation of the Project activities funded by this grant, except to the extent the claims, damages, losses and expenses arise from the Council's own negligence. Claims included in this indemnification include, without limitation, any claims asserted pursuant to the Minnesota Environmental Response and Liability Act (MERLA), Minnesota Statutes chapter 115B, the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) as amended, United States Code, Title 42, sections 9601 *et seq.*, and the federal Resource Conservation and Recovery Act of 1976 (RCRA) as amended, United States Code, title 42, sections 6901 *et seq.* This obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which otherwise would exist between the Council and the Grantee. The provisions of this section shall survive the expiration or termination of this Agreement. This indemnification shall not be construed as a waiver on the part of either the Grantee or the Council of any immunities or limits on liability provided by Minnesota Statutes chapter 466, or other applicable state or federal law.

LOCAL HOUSING INCENTIVES ACCOUNT
AFFORDABLE HOMEOWNERSHIP GRANT PROGRAM

6.04. Acknowledgments and Signage. The Grantee will acknowledge the financial assistance provided by the Council in promotional materials, press releases, reports, and publications relating to the Project. The acknowledgment will contain the following or comparable language:

Financing for this project was provided by the Metropolitan Council Metropolitan Livable Communities Fund.

Until the Project is completed, the Grantee shall ensure the above acknowledgment language, or alternative language approved by the Council’s authorized agent, is included on all signs (if any) located at Project or construction sites that identify Project funding partners or entities providing financial support for the Project. The acknowledgment and signage should refer to the “Metropolitan Council” (not “Met Council” or “Metro Council”).

6.05. Permits, Bonds, and Approvals. The Council assumes no responsibility for obtaining any applicable local, state, or federal licenses, permits, bonds, authorizations, or approvals necessary to perform or complete the Project activities described or identified in Attachment A. The Grantee and its developer(s), if any, must comply with all applicable licensing, permitting, bonding, authorization, and approval requirements of federal, state, and local governmental and regulatory agencies, including conservation districts.

6.06. Subgrantees, Contractors and Subcontractors. The Grantee shall include in any subgrant, contract, or subcontract for Project activities appropriate provisions to ensure subgrantee, contractor, and subcontractor compliance with all applicable state and federal laws and this Agreement. Along with such provisions, the Grantee shall require that contractors and subcontractors performing work covered by this Agreement comply with all applicable state and federal Occupational Safety and Health Act regulations. The Grantee’s subgrant agreement(s) shall expressly include the affordability and affirmative fair housing marketing plan requirements of Sections 3.01 and 3.02.

6.07. Stormwater Discharge and Water Management Plan Requirements. If any grant funds are used for urban site redevelopment, the Grantee shall at such redevelopment site meet or require to be met all applicable requirements of:

- (a) Federal and state laws relating to stormwater discharges including, without limitation, any applicable requirements of Code of Federal Regulations, title 40, parts 122 and 123; and
- (b) The Council’s *2040 Water Resources Policy Plan* and the local water management plan for the jurisdiction within which the redevelopment site is located.

6.08. Authorized Agent. Payment request forms, written reports, and correspondence submitted to the Council pursuant to this Agreement shall be directed to the Authorized Agent named below or their successor through the Council’s online grants administration portal or to the below contact information:

Attn: Samuel F. Johnson
Metropolitan Council
CD & MTS Finance and Administration
390 Robert Street North
Saint Paul, Minnesota 55101-1805
samuel.johnson@metc.state.mn.us

LOCAL HOUSING INCENTIVES ACCOUNT
AFFORDABLE HOMEOWNERSHIP GRANT PROGRAM

6.09. Non-Assignment. Minnesota Statutes section 473.254, subdivision 6 requires the Council to distribute the grant funds to eligible “municipalities” or “development authorities” for projects in municipalities participating in the Local Housing Incentives Account program. Accordingly, this Agreement is not assignable and shall not be assigned by the Grantee.

6.10. Authorization to Reproduce Images. The Grantee certifies that the Grantee: (a) is the owner of any renderings, images, perspectives, sections, diagrams, photographs, or other copyrightable materials (collectively, “copyrightable materials”) that are in the Grantee’s application or are submitted to the Council as part of the grant application review process or after grant award, or that the Grantee is fully authorized to grant permissions regarding the copyrightable materials; and (b) the copyrightable materials do not infringe upon the copyrights of others. The Grantee agrees the Council has a nonexclusive royalty-free license and all necessary permissions to reproduce and publish the copyrightable materials for noncommercial purposes, including but not limited to press releases, presentations, reports, and on the internet. The Grantee also agrees the Grantee will not hold the Council responsible for the unauthorized use of the copyrightable materials by third parties.

6.11. Warranty of Legal Capacity. The individuals signing this Agreement on behalf of the Grantee and on behalf of the Council represent and warrant on the Grantee’s and the Council’s behalf respectively that the individuals are duly authorized to execute this Agreement on the Grantee’s and the Council’s behalf respectively and that this Agreement constitutes the Grantee’s and the Council’s valid, binding, and enforceable agreements.

6.12. Counterparts. This Agreement may be executed in counterpart, each of which counterpart constitutes an original, but both of which together constitute one instrument.

6.13. Electronic Signatures. The electronic signatures of the Council’s and the Grantee’s authorized representatives shall be valid as an original signature of the authorized representatives and shall be effective to bind the Council and the Grantee under this Agreement. This Agreement containing, or to which there is affixed, an electronic signature shall be deemed to: (a) be “written” or “in writing”; (b) have been signed; and (c) constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. “Electronic signature” also means a manually signed original signature that is then transmitted by any electronic means, including without limitation a faxed version of an original signature or an electronically scanned and transmitted version (*e.g.*, via PDF) of an original signature. The Council’s or the Grantee’s failure to produce the original signature of any electronically transmitted signature shall not affect the enforceability of this Agreement.

[*Remainder of Page Intentionally Left Blank. Signature Page Follows.*]

LOCAL HOUSING INCENTIVES ACCOUNT
AFFORDABLE HOMEOWNERSHIP GRANT PROGRAM

IN WITNESS WHEREOF, the Grantee and the Council have caused this Agreement to be executed by their duly authorized representatives. This Agreement is effective on the date of final execution by the Council.

CITY OF RICHFIELD

By: *Eric G. Krize-Daniel*

Title: HRA Chair

Date: 3/22/2023

By: *Melissa Pnell*

Title: HRA Executive Director

Date: 3/22/2023

By: _____

Title: _____

Date: _____

Approved as to form:

By: _____
City Attorney's Office

Date: _____

METROPOLITAN COUNCIL

By: *LisaBeth Barajas*
LisaBeth Barajas, Executive Director
Community Development Division

Date: Apr 4, 2023

ATTACHMENT A

PROJECT SUMMARY

This attachment comprises this page and the succeeding page(s) which contain(s) a summary of the Project identified in the application for Local Housing Incentives Account Affordable Homeownership Pilot grant funds submitted in response to a Request for Proposals issued by the Council for the Funding Cycle identified at Page 1 of this Agreement. The summary reflects the proposed Project for which the Grantee was awarded grant funds by the Council Action, and may reflect changes in Project funding sources, changes in funding amounts, or minor changes in the proposed Project that occurred subsequent to application submission. The application is incorporated into this Agreement by reference and is made a part of this Agreement as follows. If the application or any provision in the application conflicts with or is inconsistent with the Council Action, other provisions of this Agreement, or the Project summary contained in this Attachment A, the terms, descriptions, and dollar amounts reflected in the Council Action or contained in this Agreement and the Project summary shall prevail. For the purposes of resolving conflicts or inconsistencies, the order of precedence is: (1) the Council Action; (2) this Agreement; (3) the Project summary; and (4) the grant application.

Livable Communities Project Summary

Grant # SG-18444
Type: Local Housing Incentives Account Affordable Homeownership Pilot
Applicant: City of Richfield
Project Name: Woodlawn Terrace
Project Location: City of Richfield
Council District: District 5 – Molly Cummings

Project Detail	
Project Overview	The City of Richfield and Woodlawn Terrace (WTC) is requesting LHIA funds to add new double-wide manufactured units that will provide an affordable option for families with children earning less than 80% AMI. The units are expected to sell for \$150,000. In addition, there are two units that need to be demolished along with site preparation costs (i.e., tree removal and lot crowning).
Development Type	New Construction
Total housing units	3 homes
Affordable units (AMI)	All homes ≤ 80% AMI
LHIA Pilot Funding	
LHIA	\$192,000
Providing LHIA Match	City of Richfield
Use of Funds	
Affordability gap, demolition, site preparation	

**FIRST AMENDMENT OF
LOCAL HOUSING INCENTIVES ACCOUNT
AFFORDABLE HOMEOWNERSHIP GRANT PROGRAM**

THIS AGREEMENT is made and entered into by the Metropolitan Council (“Council”) and the Housing and Redevelopment Authority in and for the City of Richfield (“Grantee”).

WHEREAS, in January 2023 the Grantee was awarded a \$192,000 Local Housing Incentives Account Affordable Homeownership grant to help build three new housing units, including prior unit demolition and site preparation at Woodlawn Terrace; and

WHEREAS, on April 4, 2023 the Grantee and the Council entered into a grant agreement identified as Council Grant No. SG-18444 (“Agreement”) which made the grant funds available to the Grantee for the Woodlawn Terrace site; and

WHEREAS, on September 24, 2025 the Grantee requested an amendment to extend the grant term by 12 months.

NOW, THEREFORE, in consideration of the promises and covenants contained in this agreement, the Council and the Grantee agree to amend Grant No. SG-18444 as follows:

The “EXPIRATION DATE” identified at Page 1 of the Agreement and referenced in Section 5.01, **Term and Close Out**, is changed from December 31, 2025 to December 31, 2026.

Except for this amendment, the provisions of Grant No. SG-18444 shall remain in force and effect without change.

This portion intentionally left blank

IN WITNESS WHEREOF, the Grantee and the Council have caused this agreement to be executed by their duly authorized representatives. This agreement is effective on the date of final execution by the Council.

CITY OF RICHFIELD

METROPOLITAN COUNCIL

By: Mary B. Snapple

By: 

Title: Mayor of Richfield

LisaBeth Barajas, Executive Director
Community Development Division

Date: Dec 3, 2025

Date: 12/08/2025

By: Katie Roary

Title: City Manager

Date: Dec 4, 2025

By: _____

Title: _____

Date: _____

Approved as to form:

By: _____
City Attorney's Office

Date: _____

EXHIBIT B

LEGAL DESCRIPTION OF THE PROPERTY

The South five (5) acres of the North ten (10) acres and the North four feet (4') of the South twenty (20) acres of the North thirty (30) acres of the Northwest One Quarter of the Southwest One Quarter of Section 34, Township 28 North, Range 24, West of the Fourth Principal Meridian, except railroad right-of-way, Hennepin County, Minnesota.

(Abstract Property)

AMENDED AND RESTATED SUB-GRANT AGREEMENT

(Metropolitan Council Livable Communities Act Grant – Local Housing Incentives Account – Affordable Homeownership Grant Program)

THIS SUB-GRANT AGREEMENT (the “Agreement”) is made as of this ___ day of _____, 2026 (the “Effective Date”), between the HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF RICHFIELD, MINNESOTA, a public body corporate and politic of the State of Minnesota (the “Grantee”), and HOME SOURCE INC., a Minnesota corporation (the “Sub-Grantee”).

WHEREAS, the Grantee and Metropolitan Council entered into the Metropolitan Livable Communities Act Grant Agreement, effective as of January 25, 2023 (the “Grant Agreement”), a copy of which is attached hereto as EXHIBIT A and is incorporated herein and made part of this Agreement; and

WHEREAS, the Grant Agreement provides that Metropolitan Council is to grant to the Grantee a sum not to exceed \$192,000, a portion of which funds in the amount of up to \$168,750 shall be used to reimburse the Sub-Grantee for site preparation hard costs, including lot preparation, utility connections, transport, and other related costs, incurred in preparation of at least three new three-bedroom housing units and up to an additional four two- and three-bedroom units to be sold to households with incomes of no more than eighty percent (80%) of the area median income (the “Project”) on the property legally described in EXHIBIT B attached hereto (the “Property”); and

WHEREAS, the remainder of the funds derived from the Grant in the amount of \$28,250 will be provided to Woodlawn Terrace Cooperative, a Minnesota nonprofit cooperative, pursuant to a separate Sub-Grant Agreement to reimburse Woodlawn Terrace Cooperative for tree removal and demolition costs incurred in preparation for the Project; and

WHEREAS, following completion of the Project, the Sub-Grantee will (a) sell the housing units for a commensurate reduced sale price; (b) sell the housing units to households earning no more than eighty percent (80%) of the area median income, as adjusted by household size; and (c) submit income documentation to staff of the Grantee, as more fully described herein; and

WHEREAS, the Grantee and the Sub-Grantee have agreed for the Sub-Grantee to assume certain duties and responsibilities of the Grantee under the Grant Agreement in consideration of receiving funds provided for in the Grant Agreement and subject to the terms, conditions, and limitations set forth therein.

NOW, THEREFORE, in consideration of the premises and the mutual promises set forth herein, the parties hereto covenant and agree as follows:

1. Grant Funds. The Grantee will distribute funds received under the Grant Agreement upon the continuing compliance by the Sub-Grantee with its obligations hereunder. The Sub-Grantee shall use the grant proceeds which are being provided by the Grantee under this Agreement solely for the Project, as further specified within the Livable Communities Project Summary (attached to the Grant Agreement). The grant proceeds shall not be used for any ineligible uses as described in the Grant Agreement. The Sub-Grantee understands and agrees that any reduction or termination of Local Housing Incentives Account funds made available to Metropolitan Council from the Local Housing Incentives Account of the Metropolitan Livable Communities Fund may result in a like reduction in the amount of the grant proceeds that will be made available to the Sub-Grantee pursuant to this Agreement. Pursuant to Section 2.08 of the Grant Agreement, the parties agree that none of the grant funds may be made available to any subgrantee or subrecipient without the prior written consent of Metropolitan Council.

2. Grantee's Obligations. The Grantee will be responsible for reimbursing the Sub-Grantee for the costs of performing site preparation, including crowning, utility connections, transport, and other related costs, incurred in preparation for three new three-bedroom housing units to be sold to households with incomes of no more than eighty percent (80%) of the area median income (the "Activities") up to a total amount of \$168,750, which will be funded from the grant proceeds received from Metropolitan Council. The Grantee will disburse funds to the Sub-Grantee pursuant to this Agreement and the Grant Agreement, based upon reimbursement requests submitted by the Sub-Grantee and reviewed and approved by the Grantee and Metropolitan Council. Reimbursement requests must be accompanied by all information and documentation needed by the Grantee pursuant to Section 2.12 of the Grant Agreement to submit a payment request form to Metropolitan Council. In order to ensure that all funds are drawn prior to the expiration of the grant, all payment requests must be received by the Grantee at least 60 days prior to the amended grant-term expiration date of December 31, 2026, unless extended by the Grantee in writing, otherwise any unrequested funds will be lost. The Grantee shall have no obligation to disburse any of these funds if, at the time of disbursement, the Sub-Grantee is in default under any of the terms of this Agreement.

3. Sub-Grantee's Obligations. The Sub-Grantee shall perform and satisfy certain obligations of the Grantee under the Grant Agreement. Specifically, but without limiting the foregoing, the Sub-Grantee must perform all the following with respect to the Activities and in satisfaction of the Grant Agreement obligations:

- a. The Sub-Grantee is not the owner of the Property. The Sub-Grantee has been hired by the Owner of the Property to perform site preparation, including lot preparation, utility connections, and other related costs, incurred in preparation for three new three-bedroom housing units to be sold to households with incomes of no more than eighty percent (80%) of the area median income. All Activities provided by the Sub-Grantee under this Agreement must be performed to the reasonable satisfaction of the Grantee and Metropolitan Council and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Sub-Grantee will not receive payment for Activities found by the Grantee or Metropolitan Council to be reasonably unsatisfactory or performed in violation of federal, state, or local law.
- b. The Sub-Grantee will comply with all requirements and conditions of the Grant Agreement applicable to the Activities that, by their nature, must be performed by Sub-Grantee rather than Grantee and that are conditions of award of funds under the Grant Agreement.
- c. The Sub-Grantee must take all other actions as are needed to ensure compliance with the Grant Agreement and provide such information and assistance to the Grantee as may reasonably be needed to ensure the Grantee can comply with the requirements of the Grant Agreement that, by their nature, must be performed by the Grantee rather than the Sub-Grantee.
- d. In order to permit the Grantee and Metropolitan Council to monitor compliance with this Agreement, the Sub-Grantee shall permit any person that the Grantee or Metropolitan Council designates, at the expense of the Grantee or Metropolitan Council, to visit and inspect the Property, corporate books and financial records and documents of the Sub-Grantee as relevant to receipt and expenditure of the grant funds or this Agreement and to discuss its affairs, finances, and accounts (as they relate to receipt and expenditure of the grant funds or this Agreement) with the principal officers of Sub-Grantee, all at such reasonable times and as often as the Grantee or Metropolitan Council may reasonably request during the term of this Agreement and for a period of six (6) years after the termination of this Agreement.

- e. The Sub-Grantee will not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, membership or activity in a local civil rights commission, disability, sexual orientation or age and will take affirmative action to insure applicants and employees are treated equally with respect to all aspects of employment, rates of pay and other forms of compensation, and selection for training.
- f. If the Sub-Grantee earns any interest or other income from the grant funds received from the Grantee under this Agreement, the Sub-Grantee must use the interest earnings or income only for the purposes of implementing the Activities.
- g. Pursuant to Section 3.01 of the Grant Agreement, because the Project includes affordable housing units, the Grantee is required to ensure that said housing units will remain “affordable,” as that term is defined in the Grant Agreement, for a minimum period of fifteen (15) years. Said obligation may be satisfied if other Project funding sources require an affordability term of at least fifteen (15) years. If at any point it is determined that the Sub-Grantee is not participating in said program or in another state or federal program that will ensure such affordability for the period required via formal instrument, or if there is any other reason to believe that there are no instruments in place to ensure the same, as required in the Grant Agreement, the Sub-Grantee agrees that it will execute any instruments to ensure such affordability, in a form that meets the Grantee’s satisfaction. A failure to adhere to this subsection may result, at Grantee’s request, in the Sub-Grantee being required to pay back grant funds received pursuant to this Agreement.

4. Ownership and Condition of the Property. The Sub-Grantee makes the following representations:

- a. The Sub-Grantee is not an owner of the Property. The Sub-Grantee has been hired by the Owner of the Property to perform site preparation, including lot preparation, utility connections, and other related costs, incurred in preparation for three new three-bedroom housing units to be sold to households with incomes of no more than eighty percent (80%) of the area median income.
- b. It has obtained or caused its contractors and/or affiliates to obtain, all the insurance described in Section 5 hereof and such policies of insurance are in full force and effect as of the date of this Agreement.
- c. The individual(s) signing this Agreement on behalf of the Sub-Grantee are duly authorized to execute this Agreement on the Sub-Grantee’s behalf.

5. Affirmative Covenants. The Sub-Grantee hereby covenants and agrees that it shall:

- a. Insurance.
 - i. Purchase and maintain such insurance, or cause its contractors and/or affiliates to purchase and maintain such insurance, as will protect it from claims which may arise out of, or result from, the Activities completed under this Agreement, whether such operations be by the Sub-Grantee or by any subcontractor, or by anyone directly employed by them, or by anyone for whose acts any one of them may be liable.

- ii. For the term of this Agreement and in connection with the Activities completed pursuant to this Agreement, secure the following coverages and comply with all provisions noted, or cause its contractors and/or affiliates to secure, the following coverages and comply with all provisions noted. Upon written request by Grantee, during the term of this Agreement, the Sub-Grantee will provide certificates of insurance evidencing current coverages.

Commercial General Liability Insurance:

\$1,500,000 per occurrence
\$2,000,000 general aggregate
\$2,000,000 products/completed operations total limit
\$1,000,000 personal injury and advertising injury

This policy shall be written on an occurrence basis using ISO form CG 00 01 or its equivalent. The Sub-Grantee represents that there is no per claim limit under the Sub-Grantee's occurrence-based policy. Coverage shall include contractual liability and XCU. Notwithstanding the foregoing, the Sub-Grantee will obtain, or cause its contractor and/or affiliates to obtain completed operations coverage for three (3) years after substantial completion of the Activities. Upon written request by the Grantee, the Sub-Grantee is required to add, or to cause its contractors and/or affiliates to add, the Grantee and any specified officials, employees, volunteers, and agents as Additional Insureds to the Commercial General Liability and Umbrella policies fulfilling the requirements of this Agreement with respect to liabilities caused in whole or in part by the Sub-Grantee's acts or omissions, or the acts or omissions of those acting on the Sub-Grantee's behalf in the performance of the ongoing operations, services, and completed operations of the Sub-Grantee under this Agreement. The coverage provides shall be primary and non-contributory.

Automobile Insurance:

Coverage shall be provided for hired, non-owned, and owned automobiles. Minimum limits of \$1,000,000 combined single limit.

Workers' Compensation and Employers' Liability:

Workers' Compensation as required by Minnesota statutes.
Employers' Liability Limits: \$500,000/\$500,000/\$500,000

Professional Liability/Errors and Omissions Coverage (if applicable):

Per Claim Limit: \$500,000
Per Occurrence Limit: \$1,500,000
Aggregate Limit: \$2,000,000

This policy is to be written as acceptable to the Grantee. Certificates of Insurance must indicate if the policy is issued on a claims-made or occurrence basis. If coverage is carried on a claims-made basis, then (1)

the retroactive date shall be noted on the certificate and shall be prior to or the day of the inception of this Agreement; and (2) evidence of coverage shall be provided for three (3) years beyond expiration of this Agreement.

- iii. The Sub-Grantee shall provide the Grantee with prior notice of any lapse in the insurance required under this Agreement including cancellation, and/or non-renewal or material change in coverage.
 - iv. The above sub-paragraphs establish minimum insurance requirements, and it is the sole responsibility of the Sub-Grantee to purchase and maintain, or cause its contractors and/or affiliates to purchase and maintain, additional coverages as the Sub-Grantee may deem necessary in connection with this Agreement.
 - v. The Certificate of Insurance must demonstrate that the policy is issued pursuant to these requirements. Copies of insurance policies shall be submitted to the Grantee upon written request.
 - vi. Certificates shall specifically indicate if the policy is written with an admitted or non-admitted carrier. Best's Rating for the insurer shall be noted on the certificate and shall not be less than an A-.
- b. To the fullest extent permitted by law, the Sub-Grantee shall defend, indemnify, and hold harmless the Grantee and Metropolitan Council and their officials, employees, and agents from and against all claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from the conduct or implementation of the Activities funded by this Agreement, except to the extent the claims, damages, losses, and expenses arise from the own negligence of the Grantee or Metropolitan Council. Claims included in this indemnification include without limitation any claims asserted pursuant to the Minnesota Environmental Response and Liability Act (MERLA), Minnesota Statutes, Chapter 115B (CERCLA), as amended, United States Code Title 42, Section 9601 et seq., and the federal Resource Conservation and Recovery Act of 1976 (RCRA) as amended, United States Code Title 42, Sections 6901 et seq. This obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which otherwise would survive the expiration or termination of this Agreement. This indemnification shall not be construed as a waiver on the part of either the Grantee or Metropolitan Council of any immunities or limits on liability provided by Minnesota Statutes Chapter 466 or other applicable state or federal law.
 - c. Maintain the Property in good repair, working order, and condition and from time to time, make or cause to be made all necessary renewals, replacements, and repairs so that at all times the Sub-Grantee's business can be conducted efficiently.
 - d. Establish and maintain accurate and complete accounts and records relating to the receipt and expenditure of all grant funds received from the Grantee. Notwithstanding the expiration and termination provisions of this Agreement, such accounts and records shall be kept and maintained by the Sub-Grantee for a period of six (6) years following the completion of the Activities for six (6) years following the expenditure of the grant funds, whichever occurs earlier. Accounting methods shall be in accordance with generally accepted accounting principles.

- e. The accounts and records of the Sub-Grantee shall be audited in the same manner as all other accounts and records of the Sub-Grantee are audited and may be audited or inspected on the Sub-Grantee’s premises or otherwise by individuals or organizations designated and authorized by the Grantee or Metropolitan Council at any time, following reasonable notification to the Sub-Grantee, for a period of six (6) years following the completion of the Activities or six (6) years following the expenditure of the grant funds, whichever occurs earlier. Pursuant to Minnesota Statutes, Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices of the Sub-Grantee that are relevant to this Agreement are subject to examination by the Grantee and Metropolitan Council and either the Legislative Auditor or the State Auditor, as appropriate, for a minimum of six (6) years.
- f. The Sub-Grantee shall include in any contract or subcontract for the Activities appropriate provisions to ensure contractor or subcontractor compliance with all applicable state and federal laws and this Agreement, including, but not limited to, federal and state laws relating to stormwater discharges (i.e., Code of Federal Regulations, Title 40, parts 122 and 123 and Metropolitan Council’s 2040 Water Resources Policy Plan and the local water management plan). Along with such provisions, the Sub-Grantee shall require that contractors and subcontractors performing activities covered by this grant obtain all required permits, licenses, and certifications, and comply with all applicable state and federal Occupational Safety and Health Act regulations.
- g. Construct the Project to meet all applicable local codes, rehabilitation standards, ordinances, and zoning regulations. The Grantee and Metropolitan Council assume no responsibility for obtaining any applicable local, state, or federal licenses, permits, bonds, authorizations, or approvals necessary to perform or complete the Activities. The Sub-Grantee and its contractors, if any, must comply with all applicable licensing, permitting, bonding, authorization, and approval requirements of federal, state, and local governmental and regulatory agencies, including conservation districts.
- h. Acknowledge the financial assistance provided by Metropolitan Council in promotional materials, press releases, reports and publications relating to the Activities which are funded in whole or in part with the grant funds. The acknowledgment must contain the following or comparable language:

“Financing for this project was provided by the Metropolitan Council Metropolitan Livable Communities Fund.”

Until the Activities are completed, the Sub-Grantee must ensure the above acknowledgment language, or alternative language approved by the authorized agent of Metropolitan Council, is included on all signs (if any) located on the Property or construction sites. The acknowledgments and signage should refer to “Metropolitan Council” (not “Met Council” or “Metro Council”).
- i. Provide the Grantee with all information that is needed by the Grantee to submit the required written progress reports and annual written reports required by Section 4.03 of the Grant Agreement.
- j. Following the completion of the Project, the Sub-Grantee shall (i) sell the housing units for a commensurate sale price; and (ii) sell the housing units to households earning no more than eighty percent (80%) of the area median income, as adjusted by household size.

- k. Prior to the sale of any housing units, the Sub-Grantee shall submit income documentation of the potential purchaser to the Grantee for review. Upon determination of eligibility, the Grantee shall provide written confirmation to the Sub-Grantee prior to the sale of the housing unit.
6. Negative Covenants. The Sub-Grantee covenants and agrees that for the term of this Agreement, it will not:
- a. Merge or consolidate with or into any other entity.
 - b. Default upon any contract or fail to pay any contract or fail to pay any of its debts or obligations as the same mature, subject to the applicable cure periods set forth in such a contract.
 - c. Generate, dispose of, use, store, treat, or transport hazardous waste substances on, in, over or across the Property or allow the Sub-Grantee's tenants to do so; provided, however, that Sub-Grantee may treat or remediate hazardous substances pursuant to an MPCA-approved Development Response Action Plan and the Sub-Grantee and its tenants may use, store, and transport hazardous substances on, over or across the Property as is reasonably necessary to the use of the Property as residential, commercial, or office property provided such use, storage, and transportation complies at all times with all applicable federal, state, and local statutes, codes, regulations, and ordinances.
7. Miscellaneous.
- a. All representations and warranties contained herein or made in writing by or on behalf of the Sub-Grantee in connection with the transactions contemplated hereby shall be made as of the Effective Date but survive the execution and delivery of this Agreement and the advances hereunder. All statements contained in any certificate or other instrument delivered by or on behalf of the Sub-Grantee pursuant thereto or in connection with the transactions contemplated hereby shall constitute representations and warranties by the Sub-Grantee.
 - b. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties.
 - c. No amendment, change, waiver, or modification of this Agreement shall be valid unless it is in a written document which Sub-Grantee, and the Grantee sign, and the Grantee's waiver of any breach or default of any of the Sub-Grantee's obligations, agreements, or covenants under this Agreement shall not be deemed to be a waiver of any subsequent breach of this Agreement, or any other obligation, agreement, or covenant. The Grantee's forbearance in pursuing or enforcing a remedy for the Sub-Grantee's breach of any of the obligations set forth in this Agreement shall not be deemed a waiver of the Grantee's rights and remedies with respect to such breach.
 - d. This Agreement may be executed simultaneously in two (2) or more counterparts, each of which shall be an original, but all of which shall constitute one (1) agreement.
 - e. This Agreement supersedes and has merged into all prior oral agreements between the Grantee and the Sub-Grantee regarding the Activities.

- f. Any notices required or contemplated hereunder shall be effective upon the placing thereof in the United States Mail, certified mail, return receipt requested, postage prepaid, and addressed as follows:

To the Grantee: Housing and Redevelopment Authority
in and for the City of Richfield, Minnesota
6700 Portland Avenue South
Richfield, MN 55423
Attn: Executive Director

To the Sub-Grantee: Home Source
14500 Burnhaven Drive – Suite 139
Burnsville, MN 55306
Attn: Dona or Butch Kisor

- g. This Agreement shall be interpreted and construed according to the laws of the State of Minnesota. All litigation regarding this Agreement shall be venued in the appropriate state or federal district court in Hennepin County, Minnesota.
- h. Neither party may assign or transfer its rights and obligations under this Agreement without the prior consent of the other party, provided that such party's assignee or transferee assumes all obligations under this Agreement and the other party consents to the assignment in writing. Said agreement to assignment shall not unreasonably be withheld by the consenting party.

8. Relationship. It is agreed that nothing contained in this Agreement is intended or should be construed as creating the relationship of agents, partners, joint venturers, or associates between the parties hereto or as constituting the Sub-Grantee as the employee of the Grantee for any purpose or in any manner whatsoever. The Sub-Grantee is an independent contractor and neither it, nor its employees, agents, or representatives are employees of the Grantee.

9. MGDPA. All data collected, created, received, maintained or disseminated for any purpose in the course of the Sub-Grantee's performance of this Agreement is governed by the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, and any other applicable state statutes, any state rules adopted to implement the Act and statutes, as well as federal statutes and regulations on data privacy.

10. Copyrights. The Sub-Grantee certifies that it (a) is the owner of any renderings, images, perspectives, sections, diagrams, photographs or other copyrightable materials (collectively "copyrightable materials") that are in the grant application or submitted to the Grantee as part of the grant application process or that the Sub-Grantee is fully authorized to grant permissions regarding the copyrightable materials; and (b) the copyrightable materials do not infringe upon the copyrights of others. The Sub-Grantee agrees that the Grantee and Metropolitan Council have a non-exclusive royalty-free license and all necessary permissions to reproduce and publish the copyrightable materials for noncommercial purposes, including but not limited to press releases, presentations, reports and on the Internet. The Sub-Grantee also agrees that it will not hold the Grantee or Metropolitan Council responsible for the unauthorized use of the copyrightable materials by third parties.

11. Restrictions on Loans or Grants by Sub-Grantee. The Sub-Grantee shall not use the grant proceeds for loans or grants to any subrecipient at any tier unless the Sub-Grantee obtains the prior written consent of Metropolitan Council.

12. Business Subsidy Law. The Sub-Grantee must comply, if appropriate and applicable, with any “business subsidy” requirements of Minnesota Statutes, Sections 116J.993 to 116J.995, that apply to the Sub-Grantee’s expenditures or uses of the grant funds. The grant will be used for the creation of affordable housing and subsidies for affordable housing are exempt from the Business Subsidy Law.

13. Expiration and Termination. This Agreement shall automatically expire upon the expiration or termination of the Grant Agreement, or upon the satisfactory completion of all obligations hereunder, whichever occurs first (the “Expiration Date”), except that the obligations contained in Section 3(g) and (h) hereof shall survive any such expiration. This Agreement may be terminated by the Grantee for cause at any time upon fourteen (14) calendar days’ written notice to the Sub-Grantee. “For cause” shall mean a material breach of this Agreement and any amendments to this Agreement. If this Agreement is terminated prior to the Expiration Date, the Sub-Grantee shall receive payment on a pro rata basis for eligible Activities that have been completed prior to the termination. Termination of this Agreement does not alter the authority of the Grantee or Metropolitan Council to recover grant funds on the basis of a later audit or other review, and does not alter the Sub-Grantee’s obligation to return any grant funds due to the Grantee or Metropolitan Council as a result of later audits or corrections. If the Grantee or Metropolitan Council determines that the Sub-Grantee has failed to comply with the terms and conditions of this Agreement, the Grant Agreement, or the applicable provisions of Metropolitan Livable Communities Act, the Grantee may take any action to protect the interests of the Grantee or Metropolitan Council and may refuse to disburse additional grant funds and may require the Sub-Grantee to return all or part of the grant funds already disbursed.

14. Effect of Grant. Issuance of this grant neither implies any Grantee or Metropolitan Council responsibility for the condition of the Property nor imposes any obligation on the Grantee or Metropolitan Council to participate in any activities on the Property. By awarding grant funds to the Sub-Grantee for the Activities and executing this Agreement, the Grantee and Metropolitan Council assume no responsibility for (a) any damage to persons, property, or the environment caused by implementation of the Activities; or (b) determining whether intended uses of the Property identified in the grant application or potential future uses of the Property, including any residential uses, are suitable for the Property.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands to this Sub-Grant Agreement as of the date and year first written above.

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

By _____
Its Chair

By _____
Its Executive Director

Execution page of the Sub-Grantee to the Sub-Grant Agreement, dated the date and year first written above.

HOME SOURCE INC.

By _____
Its _____

EXHIBIT A

GRANT AGREEMENT

**LOCAL HOUSING INCENTIVES ACCOUNT
AFFORDABLE HOMEOWNERSHIP GRANT PROGRAM**

GRANTEE: Housing and Redevelopment Authority in and for the City of Richfield		GRANT NO. SG- 18444
PROJECT: Woodlawn Terrace		
GRANT AMOUNT: \$ 192,000	FUNDING CYCLE: 2022	
COUNCIL ACTION: January 25, 2023	EXPIRATION DATE: December 31, 2025	

**METROPOLITAN LIVABLE COMMUNITIES ACT
GRANT AGREEMENT**

THIS GRANT AGREEMENT (“Agreement”) is made and entered into by the Metropolitan Council (“Council”) and the Municipality or Development Authority identified above as “Grantee.”

WHEREAS, Minnesota Statutes section 473.251 creates the Metropolitan Livable Communities Fund, the uses of which fund must be consistent with and promote the purposes of the Metropolitan Livable Communities Act (“LCA”) and the policies of the Council’s Metropolitan Development Guide; and

WHEREAS, Minnesota Statutes sections 473.251 and 473.254 establish within the Metropolitan Livable Communities Fund a Local Housing Incentives Account and require the Council to annually distribute funds in the account to Participating Municipalities that have not met their affordable and life-cycle housing goals and are actively funding projects designed to help meet the goals, or to Development Authorities for projects located in Participating Municipalities; and

WHEREAS, the Grantee is a Municipality that has negotiated affordable and life-cycle housing goals pursuant to Minnesota Statutes section 473.254, subdivision 2 and has elected to participate in the Local Housing Incentives Account program, or is a Development Authority; and

WHEREAS, at its March 9, 2022 meeting the Council approved an annual LCA Fund Distribution Plan that authorized a Local Housing Incentives Account Affordable Homeownership Pilot program; and

WHEREAS, the Grantee seeks funding in connection with an application for Local Housing Incentives Account Affordable Homeownership Pilot funds submitted in response to a Request for Proposals issued by the Council for the “Funding Cycle” identified above and will use the grant funds made available under this Agreement to help fund the “Project” identified in the application; and

WHEREAS, the Council awarded Local Housing Incentives Account Affordable Homeownership Pilot grant program funds to the Grantee subject to any terms, conditions, and clarifications stated in its Council Action, and with the understanding that the Project identified in the application will proceed to completion in a timely manner, all grant funds will be expended prior to the “Expiration Date” identified above and Project construction will have “commenced” before the Expiration Date.

NOW THEREFORE, in reliance on the above statements and in consideration of the mutual promises and covenants contained in this Agreement, the Grantee and the Council agree as follows:

LOCAL HOUSING INCENTIVES ACCOUNT
AFFORDABLE HOMEOWNERSHIP GRANT PROGRAM

I. DEFINITIONS

1.01. Definition of Terms. The terms defined in this section have the meanings given them in this section unless otherwise provided or indicated by the context.

- (a) **Commenced.** For the purposes of Sections 2.09 and 5.03, “commenced” means significant physical improvements have occurred in furtherance of the Project (*e.g.*, a foundation is being constructed or other tangible work on a structure has been initiated). In the absence of significant physical improvements, visible staking, engineering, land surveying, soil testing, cleanup site investigation, or pollution cleanup activities are not evidence of Project commencement for the purposes of this Agreement.
- (b) **Council Action.** “Council Action” means the action or decision of the governing body of the Metropolitan Council, on the meeting date identified at Page 1 of this Agreement, by which the Grantee was awarded Local Housing Incentives Account Affordable Homeownership Pilot funds.
- (c) **Development Authority.** “Development Authority” means a housing and redevelopment authority, economic development authority, or port authority.
- (d) **Metropolitan Area.** “Metropolitan Area” means the seven-county metropolitan area as defined by Minnesota Statutes section 473.121, subdivision 2.
- (e) **Municipality.** “Municipality” means a statutory or home rule charter city or town in the Metropolitan Area.
- (f) **Participating Municipality.** “Participating Municipality” means a Municipality electing to participate in the Local Housing Incentives Account program under Minnesota Statutes section 473.254.
- (g) **Project.** Unless clearly indicated otherwise by the context of a specific provision of this Agreement, “Project” means the development or redevelopment project identified in the application for Local Housing Incentives Account Affordable Homeownership Pilot funds for which grant funds were requested. Grant-funded activities typically are components of the Project.

II. GRANT FUNDS

2.01. Source of Funds. The grant funds made available to the Grantee under this Agreement are from the Local Housing Incentives Account of the Metropolitan Livable Communities Fund. The grant funds are derived from property taxes authorized by Minnesota Statutes sections 473.249, 473.253 and 473.254, subdivision 5 and are not from State or federal sources.

2.02. Total Grant Amount. The Council will grant to the Grantee the “Grant Amount” identified at Page 1 of this Agreement. Notwithstanding any other provision of this Agreement, the Grantee understands and agrees that any reduction or termination of Local Housing Incentives Account funds made available to the Council, or any reduction or termination of the dollar-for-dollar match amount required under Section 2.03, may result in a like reduction in the Grant Amount made available to the Grantee.

LOCAL HOUSING INCENTIVES ACCOUNT
AFFORDABLE HOMEOWNERSHIP GRANT PROGRAM

2.03. Match Requirement. Pursuant to Minnesota Statutes section 473.254, subdivision 6, the Grantee shall match on a dollar-for-dollar basis the total Grant Amount received from the Council under Section 2.02. The source and amount of the dollar-for-dollar match are identified in the Project Summary attached to and incorporated into this Agreement as Attachment A. With prior approval of the Council’s grant administrator the Grantee may change the source of the required match without a formal amendment to this Agreement, provided the change of match source is memorialized in a revised Project Summary.

2.04. Authorized Use of Grant Funds. The Grant Amount made available to the Grantee under this Agreement shall be used only for the purposes and Project activities described in the application for Local Housing Incentives Account Affordable Homeownership Pilot funds. A Project summary that identifies eligible uses of the grant funds as approved by the Council is attached to and incorporated into this Agreement as Attachment A. Grant funds must be used for purposes consistent with Minnesota Statutes section 473.25(a), in a Participating Municipality.

2.05. Ineligible Uses. Grant funds must be used for costs directly associated with the specific proposed Project activities and shall not be used for “soft costs” such as: administrative overhead; travel expenses; legal fees; insurance; bonds; permits, licenses, or authorization fees; costs associated with preparing other grant proposals; operating expenses; planning costs, including comprehensive planning costs; and prorated lease and salary costs. Grant funds may not be used for costs of Project activities that occurred prior to the grant award, unless specifically included in the Project Summary or otherwise approved by the Council Action. A detailed list of ineligible and eligible costs is available from the Council’s Livable Communities program office. Grant funds also shall not be used by the Grantee or others to supplant or replace: (a) grant or loan funds obtained for the Project from other sources; (b) Grantee contributions to the Project, including financial assistance, real property or other resources of the Grantee; or (c) funding or budgetary commitments made by the Grantee or others prior to the Council Action, unless specifically authorized by the Council. The Council shall bear no responsibility for cost overruns which may be incurred by the Grantee or others in the implementation or performance of the Project activities. The Grantee agrees to comply with any “business subsidy” requirements of Minnesota Statutes sections 116J.993 to 116J.995 that apply to the Grantee’s expenditures or uses of the grant funds.

2.06. [reserved]

2.07. Revolving or Deferred Loans. If consistent with the application and the Project summary or if requested in writing by the Grantee, the Grantee may use the grant funds to make deferred loans (loans made without interest or periodic payments), revolving loans (loans made with interest and periodic payments) or otherwise make the grant funds available on a “revolving” basis for the purposes of implementing the Project activities described or identified in Attachment A. The Grantee will submit annual written reports to the Council that report on the uses of the grant funds. The Council will determine the form and content of the report. This annual reporting requirement is in addition to the reporting requirements stated in Section 4.03. Notwithstanding the Expiration Date identified at Page 1 of this Agreement and referenced in Section 5.01, the Grantee will submit the annual reports until the deferred or revolving loan programs terminate, or until the Council terminates this annual reporting requirement by written notice to the Grantee. At its discretion, the Council may: (1) permit the Grantee to use loan repayments to continue supporting affordable housing components of the Project; or (2) require the Grantee to remit the grant funds to the Council.

LOCAL HOUSING INCENTIVES ACCOUNT
AFFORDABLE HOMEOWNERSHIP GRANT PROGRAM

2.08. Restrictions on Grants and Loans by Subrecipients. The Grantee shall not permit any subgrantee or subrecipient to use the grant funds for grants or loans to any subgrantee or subrecipient at any tier unless the Grantee obtains the prior written consent of the Council. The requirements of this Section 2.08 shall be included in all subgrant and subrecipient agreements.

2.09. Project Commencement and Changes. The Project for which grant funds were requested must be “commenced” prior to the Expiration Date. The Grantee must promptly inform the Council in writing of any significant changes to the Project for which the grant funds were awarded, as well as any potential changes to the grant-funded activities described or identified in Attachment A. Failure to inform the Council of any significant changes to the Project or significant changes to grant-funded components of the Project, and use of grant funds for ineligible or unauthorized purposes, will jeopardize the Grantee’s eligibility for future LCA awards. Grant funds will not be disbursed prior to Council approval of significant changes to either the Project or grant-funded activities described or identified in Attachment A.

2.10. Budget Variance. The Grantee may reallocate up to twenty percent (20%) of the Grant Amount among the grant-funded activities, provided: (a) the grant funds may be used only for Project activities for which the Council awarded the grant funds; (b) the reallocation does not significantly change the Project deliverables; and (c) the Grantee receives written permission from Council staff prior to reallocating any grant funds. Council staff may administratively approve budget reallocation requests that exceed twenty percent (20%) of the Grant Amount only if the reallocation does not significantly change the Project deliverables. Notwithstanding the aggregate or net effect of any variances, the Council’s obligation to provide grant funds under this Agreement shall not exceed the Grant Amount identified at Page 1 of this Agreement.

2.11. Loss of Grant Funds. The Grantee agrees to remit to the Council in a prompt manner: any unspent grant funds, including any grant funds that are not expended prior to the Expiration Date identified at Page 1 of this Agreement; any grant funds that are not used for the authorized purposes; any grant funds that are not matched on a dollar-for-dollar basis as required by Section 2.03; and any interest earnings described in Section 2.13 that are not used for the purposes of implementing the grant-funded Project activities described or identified in Attachment A. For the purposes of this Agreement, grant funds are “expended” prior to the Expiration Date if the Grantee pays or is obligated to pay for expenses of eligible grant-funded Project activities that occurred prior to the Expiration Date and the eligible expenses were incurred prior to the Expiration Date. Unspent or unused grant funds and other funds remitted to the Council shall revert to the Council’s Local Housing Incentives Account for distribution through application processes in future Funding Cycles or as otherwise permitted by law.

2.12. Payment Request Forms, Documentation, and Disbursements. The Council will disburse grant funds in response to payment requests submitted by the Grantee through the Council’s online grant management system and reviewed and approved by the Council’s authorized agent. Payment requests shall be made using payment request forms, the form and content of which will be determined by the Council. Payment request and other reporting forms will be provided to the Grantee by the Council. The Council will disburse grant funds on a reimbursement basis or a “cost incurred” basis. To obtain reimbursement under this Agreement, the Grantee shall provide the Council with evidence that the eligible grant-funded Project activities (or a portion thereof) for which reimbursement has been requested have been satisfactorily completed. The Grantee shall describe the grant-eligible activities for which reimbursement is requested and shall provide sufficient documentation of grant-eligible expenditures, invoices and payment documents, and such other information as the Council reasonably

LOCAL HOUSING INCENTIVES ACCOUNT
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requests. The Council will make the final determination whether the expenditures are eligible for reimbursement under this Agreement, and verify the total amount requested from the Council. Reimbursement of any costs does not constitute a waiver by the Council of any Grantee noncompliance with this Agreement. Payment requests must include the following documentation:

Consultant/contractor invoices showing the time period covered by the invoice; the specific grant-funded Project activities conducted or completed during the authorized time period within which eligible costs may be incurred; and documentation supporting expenses including subcontractor and consultant invoices showing unit rates, quantities, and a description of the good or services provided. Subcontractor markups shall not exceed ten percent (10%).

The Council shall disburse grant funds for all grant-eligible expenditures within thirty-five (35) days of the receipt of satisfactory documentation from the Grantee. **NOTWITHSTANDING THE PROVISIONS OF THIS SECTION 2.12, THE COUNCIL WILL NOT DISBURSE ANY GRANT FUNDS TO THE GRANTEE UNLESS THE PARTICIPATING MUNICIPALITY HAS ADOPTED A FAIR HOUSING POLICY AS REQUIRED BY SECTION 3.04.**

2.13. Interest Earnings. If the Grantee earns any interest or other income from the grant funds received from the Council under this Agreement, the Grantee will use the interest earnings or income only for the purposes of implementing the Project activities described or identified in Attachment A.

2.14. Effect of Grant. Issuance of this grant neither implies any Council responsibility for contamination, if any, at the Project site nor imposes any obligation on the Council to participate in any pollution cleanup of the Project site if such cleanup is undertaken or required.

2.15. Resale Limitations. The Grantee must impose resale limitations regarding the disposition of any equity realized by the purchasers of “affordable” units if grant funds received from the Council under this Agreement are used for homeownership affordability gap financing in the Project described or identified in Attachment A. The intent of this resale limitation is to protect the public investment in the Project and ensure that a proportion of the affordability gap provided by the public investment in the form of grant funds received from the Council is recaptured for reuse in conjunction with other affordable housing efforts and does not become a windfall for any purchaser who might sell the home prior to expiration of a predetermined resale limitation period. If a purchaser sells the “affordable” home prior to expiration of the resale limitation time period, an equitable proportion of the affordability gap filled by grant funds received from the Council under this Agreement must be recaptured by the Grantee within twenty-four (24) months of the triggering resale event and applied to a similar affordable housing project within the Participating Municipality or returned to the Council. Unless otherwise agreed to by the Council and the Grantee, the length of the resale limitation time period and the proportion of the affordability gap to be recovered will be consistent with resale limitation time periods and repayment schedules stated in the Project application. These resale limitations do not apply when the grant funds are used for homeownership value gap financing. The Grantee will provide the Council with a copy of the resale limitations the Grantee imposed on the grant-assisted affordable units, which may include copies of declarations or restrictive covenants recorded against the property.

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III. AFFORDABILITY; AFFIRMATIVE FAIR HOUSING

3.01. Affordability Term. If the Project for which the grant funds were awarded includes affordable housing units, the Grantee shall, through written instruments or otherwise, ensure the affordable units will remain affordable for a minimum period of fifteen (15) years. The Grantee's obligation under this section may be satisfied if other Project funding sources (*e.g.*, the Minnesota Housing Finance Agency or the U.S. Department of Housing and Urban Development ("HUD") or state or federal laws (*e.g.*, low-income housing tax credit programs) require an affordability term of at least fifteen (15) years. For the purposes of this section, "affordable housing unit" means a unit that is affordable to households at eighty percent (80%) or less of the Area Median Income ("AMI"), as established by HUD, unless the Grantee's application stated an affordability standard lower than eighty percent (80%) of AMI, in which case the Grantee's lower affordability standard shall apply. The affordability requirements of this section shall survive the expiration or termination of this Agreement. If the affordable housing units are made available for homeownership then they are subject to the resale limitations specified in Section 2.15 and the affordability requirements of this section only apply if Council funds pay more than half of the housing unit's affordability gap stated in the Project application.

3.02. Affirmative Fair Housing Marketing Plans. If the Project for which the grant funds were awarded is a housing project or includes housing units (whether market rate or affordable), the Grantee shall, through written instruments or otherwise, ensure the Project owner (and any subsequent owner(s)) adopts and implements an affirmative fair housing marketing plan for all Project housing units. For the purposes of this section, "affirmative fair housing marketing plan" means an affirmative fair housing marketing plan that substantially conforms to affirmative fair housing marketing plans published by the U.S. Department of Housing and Urban Development ("HUD") or sample affirmative fair housing marketing plans published by the Minnesota Housing Finance Agency. The affirmative fair housing marketing plan requirement under this section shall continue for the minimum affordability term specified in Section 3.01 and shall survive the expiration or termination of this Agreement.

3.03. [reserved]

3.04. Fair Housing Policy. If the Project will include a housing component, the governing body of the participating Municipality must have adopted a Fair Housing Policy. For the purposes of this section, the term "Fair Housing Policy" means a written statement regarding the participating Municipality's commitment to fair housing that substantively includes at least the following elements: a purpose statement; procedures for responding to fair housing concerns and complaints; and a designated individual or staff position responsible for fair housing issues. A best practices guide, as well as a copy of a model local fair housing policy is available at: <https://metro council.org/Handbook/Files/Resources/Best-Practices/Fair-Housing-Policy-Guide.aspx>.

IV. ACCOUNTING, AUDIT, AND REPORT REQUIREMENTS

4.01. Accounting and Records. The Grantee agrees to establish and maintain accurate and complete accounts and records relating to the receipt and expenditure of all grant funds received from the Council. Notwithstanding the expiration and termination provisions of Sections 5.01 and 5.02, such accounts and records shall be kept and maintained by the Grantee for a period of six (6) years following the completion of the Project activities described or identified in Attachment A or six

LOCAL HOUSING INCENTIVES ACCOUNT
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(6) years following the expenditure of the grant funds, whichever occurs earlier. For all expenditures of grant funds received pursuant to this Agreement, the Grantee will keep proper financial records and other appropriate documentation sufficient to evidence the nature and expenditure of the dollar-for-dollar match funds required under Section 2.03. Accounting methods shall be in accordance with generally accepted accounting principles.

4.02. Audits. The above accounts and records of the Grantee shall be audited in the same manner as all other accounts and records of the Grantee are audited and may be audited or inspected on the Grantee's premises or otherwise by individuals or organizations designated and authorized by the Council at any time, following reasonable notification to the Grantee, for a period of six (6) years following the completion of the Project activities or six (6) years following the expenditure of the grant funds, whichever occurs earlier. Pursuant to Minnesota Statutes section 16C.05, subdivision 5, the books, records, documents and accounting procedures and practices of the Grantee that are relevant to this Agreement are subject to examination by the Council and either the Legislative Auditor or the State Auditor, as appropriate, for a minimum of six (6) years.

4.03. Reporting and Continuing Requirements. The Grantee will report to the Council on a semi-annual basis by January 31 (for the period of July 1 through December 31) and July 31 (for the period January 1 through June 30) of each calendar year during the term of this Agreement. The Grantee reports shall describe the status of the Project activities described or identified in Attachment A. The report shall also describe the Project spending for the current reporting period and projected spending for the future reporting periods. The Grantee also must complete and submit to the Council a Final Report before the final disbursement of grant funds will be approved. The form and content of the semi-annual status reports and the Final Report will be determined by the Council. These reporting requirements and the reporting requirements of Section 2.07 shall survive the expiration or termination of this Agreement.

4.04. Environmental Site Assessment. The Grantee represents that a Phase I Environmental Site Assessment or other environmental review has been or will be carried out, if such environmental assessment or review is appropriate for the scope and nature of the Project activities funded by this grant, and that any environmental issues have been or will be adequately addressed.

V. AGREEMENT TERM

5.01. Term and Close Out. This Agreement is effective upon execution of this Agreement by the Council. Unless terminated pursuant to Section 5.02, this Agreement expires on the Expiration Date identified at Page 1 of this Agreement. The Grantee has 120 calendar days after the Expiration Date to provide documentation and information necessary to close out this Agreement and receive disbursements for eligible grant-funded Project activities as prescribed in Section 2.04. If the Grantee fails to provide necessary documentation and information during this 120-day close out period, the Grantee shall not be eligible to receive any unpaid grant funds and the Council will not disburse any unpaid grant funds to the Grantee. This 120-day close out period does not extend any Grantee reporting deadlines established in this Agreement or authorize the Grantee to expend or commit any grant funds after the Expiration Date.

5.02. Termination. This Agreement may be terminated by the Council for cause at any time upon fourteen (14) calendar days' written notice to the Grantee. Cause shall mean a material breach of this Agreement and any amendments of this Agreement. If this Agreement is terminated prior to the Expiration Date, the Grantee shall receive payment on a pro rata basis for eligible Project activities

LOCAL HOUSING INCENTIVES ACCOUNT
AFFORDABLE HOMEOWNERSHIP GRANT PROGRAM

described or identified in Attachment A that have been completed prior to the termination. Termination of this Agreement does not alter the Council's authority to recover grant funds on the basis of a later audit or other review and does not alter the Grantee's obligation to return any grant funds due to the Council as a result of later audits or corrections. If the Council determines the Grantee has failed to comply with the terms and conditions of this Agreement and the applicable provisions of the Metropolitan Livable Communities Act, the Council may take any action to protect the Council's interests and may refuse to disburse additional grant funds and may require the Grantee to return all or part of the grant funds already disbursed.

5.03. Amendments and Extension. The Council and the Grantee may amend this Agreement by mutual agreement. Amendments or an extension of this Agreement shall be effective only on the execution of written amendments signed by authorized representatives of the Council and the Grantee. If the Grantee needs a change to the Project, additional time within which to complete grant-funded activities and commence the Project, a change in the budget, or a change in the grant-funded activities the Grantee must submit to the Council **AT LEAST NINETY (90) CALENDAR DAYS PRIOR TO THE EXPIRATION DATE**, a complete, written amendment request. All requirements must be met for a request to be considered complete. **THE EXPIRATION DATE MAY BE EXTENDED, BUT THE PERIOD OF ANY EXTENSION(S) SHALL NOT EXCEED TWO (2) YEARS BEYOND THE ORIGINAL EXPIRATION DATE IDENTIFIED AT PAGE 1 OF THIS AGREEMENT.**

VI. GENERAL PROVISIONS

6.01. Equal Opportunity. The Grantee agrees it will not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, membership or activity in a local civil rights commission, disability, sexual orientation, or age and will take affirmative action to ensure applicants and employees are treated equally with respect to all aspects of employment, rates of pay and other forms of compensation, and selection for training.

6.02. Conflict of Interest. The members, officers, and employees of the Grantee shall comply with all applicable state statutory and regulatory conflict of interest laws and provisions.

6.03. Liability. Subject to the limitations provided in Minnesota Statutes chapter 466, to the fullest extent permitted by law, the Grantee shall defend, indemnify, and hold harmless the Council and its members, employees, and agents from and against all claims, damages, losses, and expenses, including but not limited to attorneys' fees, arising out of or resulting from the conduct or implementation of the Project activities funded by this grant, except to the extent the claims, damages, losses and expenses arise from the Council's own negligence. Claims included in this indemnification include, without limitation, any claims asserted pursuant to the Minnesota Environmental Response and Liability Act (MERLA), Minnesota Statutes chapter 115B, the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) as amended, United States Code, Title 42, sections 9601 *et seq.*, and the federal Resource Conservation and Recovery Act of 1976 (RCRA) as amended, United States Code, title 42, sections 6901 *et seq.* This obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which otherwise would exist between the Council and the Grantee. The provisions of this section shall survive the expiration or termination of this Agreement. This indemnification shall not be construed as a waiver on the part of either the Grantee or the Council of any immunities or limits on liability provided by Minnesota Statutes chapter 466, or other applicable state or federal law.

LOCAL HOUSING INCENTIVES ACCOUNT
AFFORDABLE HOMEOWNERSHIP GRANT PROGRAM

6.04. Acknowledgments and Signage. The Grantee will acknowledge the financial assistance provided by the Council in promotional materials, press releases, reports, and publications relating to the Project. The acknowledgment will contain the following or comparable language:

Financing for this project was provided by the Metropolitan Council Metropolitan Livable Communities Fund.

Until the Project is completed, the Grantee shall ensure the above acknowledgment language, or alternative language approved by the Council’s authorized agent, is included on all signs (if any) located at Project or construction sites that identify Project funding partners or entities providing financial support for the Project. The acknowledgment and signage should refer to the “Metropolitan Council” (not “Met Council” or “Metro Council”).

6.05. Permits, Bonds, and Approvals. The Council assumes no responsibility for obtaining any applicable local, state, or federal licenses, permits, bonds, authorizations, or approvals necessary to perform or complete the Project activities described or identified in Attachment A. The Grantee and its developer(s), if any, must comply with all applicable licensing, permitting, bonding, authorization, and approval requirements of federal, state, and local governmental and regulatory agencies, including conservation districts.

6.06. Subgrantees, Contractors and Subcontractors. The Grantee shall include in any subgrant, contract, or subcontract for Project activities appropriate provisions to ensure subgrantee, contractor, and subcontractor compliance with all applicable state and federal laws and this Agreement. Along with such provisions, the Grantee shall require that contractors and subcontractors performing work covered by this Agreement comply with all applicable state and federal Occupational Safety and Health Act regulations. The Grantee’s subgrant agreement(s) shall expressly include the affordability and affirmative fair housing marketing plan requirements of Sections 3.01 and 3.02.

6.07. Stormwater Discharge and Water Management Plan Requirements. If any grant funds are used for urban site redevelopment, the Grantee shall at such redevelopment site meet or require to be met all applicable requirements of:

- (a) Federal and state laws relating to stormwater discharges including, without limitation, any applicable requirements of Code of Federal Regulations, title 40, parts 122 and 123; and
- (b) The Council’s *2040 Water Resources Policy Plan* and the local water management plan for the jurisdiction within which the redevelopment site is located.

6.08. Authorized Agent. Payment request forms, written reports, and correspondence submitted to the Council pursuant to this Agreement shall be directed to the Authorized Agent named below or their successor through the Council’s online grants administration portal or to the below contact information:

Attn: Samuel F. Johnson
Metropolitan Council
CD & MTS Finance and Administration
390 Robert Street North
Saint Paul, Minnesota 55101-1805
samuel.johnson@metc.state.mn.us

LOCAL HOUSING INCENTIVES ACCOUNT
AFFORDABLE HOMEOWNERSHIP GRANT PROGRAM

6.09. Non-Assignment. Minnesota Statutes section 473.254, subdivision 6 requires the Council to distribute the grant funds to eligible “municipalities” or “development authorities” for projects in municipalities participating in the Local Housing Incentives Account program. Accordingly, this Agreement is not assignable and shall not be assigned by the Grantee.

6.10. Authorization to Reproduce Images. The Grantee certifies that the Grantee: (a) is the owner of any renderings, images, perspectives, sections, diagrams, photographs, or other copyrightable materials (collectively, “copyrightable materials”) that are in the Grantee’s application or are submitted to the Council as part of the grant application review process or after grant award, or that the Grantee is fully authorized to grant permissions regarding the copyrightable materials; and (b) the copyrightable materials do not infringe upon the copyrights of others. The Grantee agrees the Council has a nonexclusive royalty-free license and all necessary permissions to reproduce and publish the copyrightable materials for noncommercial purposes, including but not limited to press releases, presentations, reports, and on the internet. The Grantee also agrees the Grantee will not hold the Council responsible for the unauthorized use of the copyrightable materials by third parties.

6.11. Warranty of Legal Capacity. The individuals signing this Agreement on behalf of the Grantee and on behalf of the Council represent and warrant on the Grantee’s and the Council’s behalf respectively that the individuals are duly authorized to execute this Agreement on the Grantee’s and the Council’s behalf respectively and that this Agreement constitutes the Grantee’s and the Council’s valid, binding, and enforceable agreements.

6.12. Counterparts. This Agreement may be executed in counterpart, each of which counterpart constitutes an original, but both of which together constitute one instrument.

6.13. Electronic Signatures. The electronic signatures of the Council’s and the Grantee’s authorized representatives shall be valid as an original signature of the authorized representatives and shall be effective to bind the Council and the Grantee under this Agreement. This Agreement containing, or to which there is affixed, an electronic signature shall be deemed to: (a) be “written” or “in writing”; (b) have been signed; and (c) constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. “Electronic signature” also means a manually signed original signature that is then transmitted by any electronic means, including without limitation a faxed version of an original signature or an electronically scanned and transmitted version (*e.g.*, via PDF) of an original signature. The Council’s or the Grantee’s failure to produce the original signature of any electronically transmitted signature shall not affect the enforceability of this Agreement.

[*Remainder of Page Intentionally Left Blank. Signature Page Follows.*]

LOCAL HOUSING INCENTIVES ACCOUNT
AFFORDABLE HOMEOWNERSHIP GRANT PROGRAM

IN WITNESS WHEREOF, the Grantee and the Council have caused this Agreement to be executed by their duly authorized representatives. This Agreement is effective on the date of final execution by the Council.

CITY OF RICHFIELD

By: *Eric G. Krize-Daniel*

Title: HRA Chair

Date: 3/22/2023

By: *Melissa Pnell*

Title: HRA Executive Director

Date: 3/22/2023

By: _____

Title: _____

Date: _____

Approved as to form:

By: _____
City Attorney's Office

Date: _____

METROPOLITAN COUNCIL

By: *LisaBeth Barajas*
LisaBeth Barajas, Executive Director
Community Development Division

Date: Apr 4, 2023

ATTACHMENT A

PROJECT SUMMARY

This attachment comprises this page and the succeeding page(s) which contain(s) a summary of the Project identified in the application for Local Housing Incentives Account Affordable Homeownership Pilot grant funds submitted in response to a Request for Proposals issued by the Council for the Funding Cycle identified at Page 1 of this Agreement. The summary reflects the proposed Project for which the Grantee was awarded grant funds by the Council Action, and may reflect changes in Project funding sources, changes in funding amounts, or minor changes in the proposed Project that occurred subsequent to application submission. The application is incorporated into this Agreement by reference and is made a part of this Agreement as follows. If the application or any provision in the application conflicts with or is inconsistent with the Council Action, other provisions of this Agreement, or the Project summary contained in this Attachment A, the terms, descriptions, and dollar amounts reflected in the Council Action or contained in this Agreement and the Project summary shall prevail. For the purposes of resolving conflicts or inconsistencies, the order of precedence is: (1) the Council Action; (2) this Agreement; (3) the Project summary; and (4) the grant application.

Livable Communities Project Summary

Grant # SG-18444
Type: Local Housing Incentives Account Affordable Homeownership Pilot
Applicant: City of Richfield
Project Name: Woodlawn Terrace
Project Location: City of Richfield
Council District: District 5 – Molly Cummings

Project Detail	
Project Overview	The City of Richfield and Woodlawn Terrace (WTC) is requesting LHIA funds to add new double-wide manufactured units that will provide an affordable option for families with children earning less than 80% AMI. The units are expected to sell for \$150,000. In addition, there are two units that need to be demolished along with site preparation costs (i.e., tree removal and lot crowning).
Development Type	New Construction
Total housing units	3 homes
Affordable units (AMI)	All homes ≤ 80% AMI
LHIA Pilot Funding	
LHIA	\$192,000
Providing LHIA Match	City of Richfield
Use of Funds	
Affordability gap, demolition, site preparation	

**FIRST AMENDMENT OF
LOCAL HOUSING INCENTIVES ACCOUNT
AFFORDABLE HOMEOWNERSHIP GRANT PROGRAM**

THIS AGREEMENT is made and entered into by the Metropolitan Council (“Council”) and the Housing and Redevelopment Authority in and for the City of Richfield (“Grantee”).

WHEREAS, in January 2023 the Grantee was awarded a \$192,000 Local Housing Incentives Account Affordable Homeownership grant to help build three new housing units, including prior unit demolition and site preparation at Woodlawn Terrace; and

WHEREAS, on April 4, 2023 the Grantee and the Council entered into a grant agreement identified as Council Grant No. SG-18444 (“Agreement”) which made the grant funds available to the Grantee for the Woodlawn Terrace site; and

WHEREAS, on September 24, 2025 the Grantee requested an amendment to extend the grant term by 12 months.

NOW, THEREFORE, in consideration of the promises and covenants contained in this agreement, the Council and the Grantee agree to amend Grant No. SG-18444 as follows:

The “EXPIRATION DATE” identified at Page 1 of the Agreement and referenced in Section 5.01, **Term and Close Out**, is changed from December 31, 2025 to December 31, 2026.

Except for this amendment, the provisions of Grant No. SG-18444 shall remain in force and effect without change.

This portion intentionally left blank

IN WITNESS WHEREOF, the Grantee and the Council have caused this agreement to be executed by their duly authorized representatives. This agreement is effective on the date of final execution by the Council.

CITY OF RICHFIELD

METROPOLITAN COUNCIL

By: Mary B. Snapple

By: 

Title: Mayor of Richfield

LisaBeth Barajas, Executive Director
Community Development Division

Date: Dec 3, 2025

Date: 12/08/2025

By: Katie Roary

Title: City Manager

Date: Dec 4, 2025

By: _____

Title: _____

Date: _____

Approved as to form:

By: _____
City Attorney's Office

Date: _____

EXHIBIT B

LEGAL DESCRIPTION OF THE PROPERTY

The South five (5) acres of the North ten (10) acres and the North four feet (4') of the South twenty (20) acres of the North thirty (30) acres of the Northwest One Quarter of the Southwest One Quarter of Section 34, Township 28 North, Range 24, West of the Fourth Principal Meridian, except railroad right-of-way, Hennepin County, Minnesota.

(Abstract Property)



Housing and Redevelopment Authority Meeting 3/16/2026

Agenda Section: Consent Calendar

Agenda Item: 7.c.

Report Prepared By:

LaTonia DuBois, Administrative Assistant

Department Director:

Melissa Poehlman, Community Development Director

Item for Consideration:

Consider the adoption of a resolution amending the Bylaws of the Housing and Redevelopment Authority to adjust the order of operations.

EXECUTIVE SUMMARY

The City selected CivicPlus as our new agenda building software platform last year. In an effort to make agendas more consistent, Commissions are adjusting their order of operations to better align with City Council agendas. Therefore, staff proposes changing the order of operations to match the City Council. Going forward, approval of the agenda will be first, then approval of minutes, followed by open forum. Claims will now be included as part of the consent calendar, rather than a stand-alone item at the end of the agenda. These changes should be reflected in the Housing and Redevelopment Authority (HRA) Bylaws.

RECOMMENDED ACTION

By Motion: Adopt a resolution amending the Bylaws of the Richfield Housing and Redevelopment Authority.

HISTORICAL CONTEXT

The Housing and Redevelopment Authority HRA Bylaws were last updated in 2025.

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

N/A

POLICIES (RESOLUTIONS, ORDINANCES, REGULATIONS, STATUTES, ETC.)

HRA Bylaws are reviewed routinely to ensure they meet current practice and statutory requirements.

CRITICAL TIMING ISSUES

The City Council adjusted their order of operations previously and the Planning Commission amended their Bylaws to adjust their order of operations in February 2026.

FINANCIAL IMPACT

None

LEGAL CONSIDERATIONS

None.

ALTERNATIVE RECOMMENDATION(S)

None

ATTACHMENTS

1. 031626_Resolution_Amend_Bylaws
2. 2026 HRA_Bylaws_Revisions Redlined

HRA RESOLUTION NO.

RESOLUTION AMENDING THE BYLAWS OF THE HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF RICHFIELD, MINNESOTA

WHEREAS, the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota (Authority) has established Bylaws; and

WHEREAS, from time to time it is appropriate for the Bylaws to be amended; and

WHEREAS, in accordance with Minnesota State Statutes, the Housing and Redevelopment Authority (Authority) shall adopt Bylaws and other rules for the conduct of its affairs; and

WHEREAS, in accordance with Minnesota State Statutes, the power of the Authority shall be vested in its commissioners; a majority of which shall constitute a quorum for all purposes; and

WHEREAS, the Authority wishes to amend their Order of Business to align with City Council agendas.

NOW, THEREFORE, BE IT RESOLVED by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota that its Bylaws be amended as follows:

Article III – Section 6 is amended to read:

Order of Business. At the regular meetings of the Authority the following shall be the order of business:

1. Call to Order/Noting of Attendance
2. Approval of Agenda
3. Approval of Minutes of Previous Meeting(s)
4. Open Forum
5. Presentations
6. Consent Calendar, including Approval of Claims
7. Consideration of items, if any Removed from Consent Calendar
8. Public Hearings
9. Resolutions
10. Other Business
11. Executive Director's Report
12. HRA Discussion Items
13. Adjournment

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 16th day of March 2026.

Chair

ATTEST:

Secretary

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

ARTICLE I – THE AUTHORITY

Section 1. Name of Authority. The name of the Authority shall be the “Housing and Redevelopment Authority in and for the City of Richfield, Minnesota.”

Section 2. Seal of Authority. The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority.

Section 3. Office of Authority. The offices of the Authority shall be at City Hall in the City of Richfield, Minnesota, but the Authority may hold its meetings at such other place or places as it may designate by resolution.

Section 4. Official Newspaper. The official newspaper shall be the official newspaper designated by the City as its official newspaper each year.

Section 5. Composition of Membership. The Composition of Membership of the Authority shall be determined by the Mayor and City Council of the City of Richfield (City Council). Until and unless further amended by the Mayor and City Council, this Composition shall be as follows:

- a. In making appointments to the HRA commission, the Mayor will appoint commissioners with the approval of the City Council and shall designate two positions as ex-officio with voting rights, to be filled by two members of the City Council, which may include the Mayor. The term of office of an ex-officio commission member shall be set to coincide with the member's term as mayor or council member.
- b. The remaining three members of the HRA commission shall be residents of the City of Richfield and appointed by the Mayor with the approval of the City Council. The citizen members shall serve five-year terms commencing on March 1, which shall be staggered with citizen members being appointed on (i) March 1, 2022 for a two year term expiring February 28, 2024; (ii) March 1, 2022 for a four year term expiring February 28, 2026; and (iii) November 1, 2023 for a four and one-half year term expiring on February 29, 2028. Thereafter, all terms of citizen members shall be five years. Each vacancy of a citizen member unexpired term shall be filled for the remainder of the term for which the original appointment was made.
- c. No citizen member of the HRA commission shall be appointed to more than two consecutive terms on the commission.
- d. No citizen member, once appointed, may serve on any city advisory commission, except the Charter Commission, during the term of the HRA appointment.

ARTICLE II – OFFICERS

Section 1. Officers. The officers of the Authority shall be a Chairperson, a Vice-Chairperson, and a Secretary.

Section 2. Chairperson. The Chairperson shall preside at all meetings of the Authority. Except as otherwise authorized by resolution of the Authority, the Chairperson shall sign all contracts, deeds, resolutions and other instruments made by the Authority. At each meeting the Chairperson shall submit such recommendations and information he or she may consider proper concerning the business, affairs and policies of the Authority.

Section 3. Vice-Chairperson. The Vice-Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson; and in case of the resignation or death of the Chairperson, the Vice-Chairperson shall perform such duties as are imposed on the Chairperson until such time as the Authority shall select a new Chairperson.

Section 4. Secretary. The Secretary shall perform the duties of a Secretary for the Authority. The Secretary shall perform the duties as the Chairperson in cases where both the Chairperson and Vice-Chairperson are absent or incapacitated.

Section 5. Executive Director. The Authority shall employ an Executive Director who shall have general supervision over the administration of its business and affairs, subject to the direction of the Authority. He or she shall be charged with the management of the housing and redevelopment projects of the Authority. Regardless of who is appointed, the City Manager of the City of Richfield shall have ultimate authority in recommending an annual levy and budget. The Executive Director may designate an acting Executive Director during periods when he or she is absent or incapacitated.

Section 6. Other Administrative Officers. The Authority may designate an assistant to the Secretary who shall keep the records of the Authority, shall act as recorder of the meetings of the Authority and record all votes, and shall keep a record of the proceedings of the Authority in a journal of proceedings to be kept for such purpose, and shall perform all duties incidental to his office. He or she shall keep in safe custody the seal of the Authority and shall have power to affix such seal to all contracts and instruments authorized to be executed by the Authority.

The Authority may designate a Treasurer who shall have the care and custody of all funds of the Authority and shall deposit the same in the name of the Authority in such bank or banks as the Authority may select. The Executive Director and Treasurer shall sign all orders and checks for the payment of money and shall pay out and disburse such moneys under the direction of the Authority. Except as otherwise authorized by resolution of the Authority, all such orders and checks shall also be countersigned by the Chairperson. The Treasurer shall keep regular books of accounts showing receipts and expenditures and shall render to the Authority, at each regular meeting (or more often when requested), an account of his transactions and also of the financial condition

of the Authority. He or she shall give such bond for the faithful performance of his duties as the Authority may determine

ARTICLE III – MEETINGS

Section 1. Annual Meeting. The annual meeting of the Authority shall be held at the regular meeting in March at 7:00 p.m. at the regular meeting place of the Authority.

Section 2. Regular Meetings. Monthly meetings shall be held without notice at the regular meeting place of the Authority on the third Monday of each month, at 7:00 p.m. unless the same shall be a legal holiday, in which event said meeting shall be held on the next succeeding secular day.

Section 3. Special Meetings. Special meetings of the Authority may be called by the Chairperson, or two members of the Authority, or the Executive Director for the purpose of transacting any business designated in the call. The call for a special meeting must be delivered in person or electronically to each member at least three days prior to the time of the proposed meeting.

Section 4. Quorum. The powers of the Authority shall be vested in the Commissioners thereof in office from time to time. Three Commissioners shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained. When a quorum is in attendance, action may be taken by the Authority upon a vote of a majority of the Commissioners present.

Section 5. Rules of Order. The meetings of the Authority shall be governed by the latest printed edition of “Sturgis Standard Code of Parliamentary Procedure.”

Section 6. Order of Business. At the regular meetings of the Authority the following shall be the order of business:

1. Call to Order/Noting of Attendance
2. Approval of Agenda
- ~~1-3.~~ Approval of Minutes of Previous Meeting(s)
- ~~2-4.~~ Open Forum
- ~~3.~~ Approval of Minutes of Previous Meeting(s)
- ~~4-5.~~ Presentations
- ~~5.~~ Approval of Agenda
6. Consent Agenda Calendar, including Approval of Claims
- ~~6-7.~~ Consideration of items, if any Removed from Consent Calendar
- ~~7-8.~~ Public Hearings
- ~~8-9.~~ Resolutions
10. Other Business
- ~~9-11.~~ Executive Director’s Report
- ~~10.~~ HRA Discussion Items
- ~~11-12.~~ Executive Director’s Report
- ~~12.~~ Approval of Claims
- ~~13-13.~~ Adjournment

All resolutions shall be in writing and shall be copied in the journal of the proceedings of the Authority.

Section 7. Manner of Voting. The voting on all questions coming before the Authority shall be made verbally and the yeas and nays shall be entered upon the minutes of such meeting.

Section 8. Combining Administrative Offices: Compensation. The compensation of the Executive Director and other personnel of the Authority shall be determined by the Authority. Any two or more administrative offices may be combined.

Section 9. Additional Duties. The officers of the Authority shall perform such other duties and functions as may from time to time be required by the Authority or the Bylaws or rules and regulations of the Authority.

Section 10. Election of Appointment. The first Chairperson shall, pursuant to this appointment, serve in the capacity of Chairperson until the expiration of his term of office as Commissioner. The Vice-Chairperson, Secretary and, except in the case of the First Chairperson, the Chairperson shall be elected at the annual meeting of the Authority from among the Commissioners of the Authority, and shall hold office for one year or until their successors are elected and qualified.

The Executive Director shall be appointed by the Authority. Any person appointed to fill the office of Executive Director or any vacancy therein, shall have such term as the Authority fixes, but no Commissioner of the Authority shall be eligible for this office.

Section 11. Vacancies. Should the office of Chairperson, Vice-Chairperson or Secretary become vacant, the Authority shall elect a successor from its membership at the next regular meeting, and such election shall be for the unexpired term of said office.

Section 12. Additional Personnel. The Authority may from time to time employ or contract for such personnel as it deems necessary to exercise its powers, duties and functions as prescribed by the Municipal Housing and Redevelopment Law of Minnesota applicable thereto. Such personnel may be employees of the Authority, employees of other governmental organizations, or independent contractors. The selection and compensation of such personnel shall be determined by the Authority subject to the laws of the State of Minnesota.

ARTICLE IV – AMENDMENTS

Section 1. Amendments to Bylaws. The Bylaws of the Authority shall be amended only with the approval of at least three of the members of the Authority at a regular or a special meeting.

Amended 04/21/80
Amended 01/21/86

Amended 12/15/86
Amended 08/18/03
Amended 02/18/14
Amended 09/17/18
Amended 01/15/19
Amended 01/21/20
Amended 02/23/22
Amended 03/17/25
Amended 03/16/26



Housing and Redevelopment Authority Meeting 3/16/2026

Agenda Section: Consent Calendar

Agenda Item: 7.d.

Report Prepared By:

Steve McDaniel, Budget, Cash, and Debt Manager

Department Director:

Melissa Poehlman, Community Development Director

Item for Consideration:

Consider resolutions designating official depositories for the Housing and Redevelopment Authority for 2026, including the approval of collateral.

EXECUTIVE SUMMARY

In compliance with Minnesota statutes, the Housing and Redevelopment Authority (HRA) must designate on an annual basis those financial institutions it does business with.

U.S. Bank acts as the banking institution in the HRA's banking arrangement with the 4M Fund.

The following resolutions for the HRA's consideration will designate U.S Bank/4M Fund as a depository of HRA funds, and designate certain savings and loan associations, banks, credit unions and financial institutions as depositories for the investment of HRA funds.

RECOMMENDED ACTION

By Motion: Adopt the attached resolutions designating official depositories, with the understanding that the Housing and Redevelopment Authority could not invest in any of the depositories beyond the level of insurance coverage or the pledged collateral.

HISTORICAL CONTEXT

N/A

EQUITABLE OR STRATEGIC CONSIDERATIONS OR IMPACTS

Developing more inclusive procurement is a long-term equity project. Currently there are very limited financial institutions owned by underrepresented groups. Also, it is the League of Minnesota Cities that selects the depository for the 4M Fund which provides significant value in excellent services at lower costs.

POLICIES (RESOLUTIONS, ORDINANCES, REGULATIONS, STATUTES, ETC.)

In accordance with Minnesota Statutes Section 118A.01 - 118A.06, the HRA must designate financial institutions annually. The institutions must pledge the collateral over and above the amount of federal insurance, as public depositories.

U.S. Bank acts as the banking institution in the HRA's banking arrangement with the 4M

Fund. Monies received, checks written by the HRA, flow through U.S. Bank. However, at the end of each business day, any proceeds remaining in the HRA U.S. Bank accounts are swept to the 4M Fund to be invested. Therefore, at the end of the business day the HRA accounts are zero, which means the collateral requirements of Minnesota Statutes Section 118A.03 are not required. Accordingly, U.S. Bank has met all other statutory requirements and should be considered as a depository for the HRA's Deputy Registrar, payroll and vendor accounts and all savings deposits.

The HRA must also annually designate certain savings and loan associations, banks, and credit unions as official depositories for deposit and investment of certain HRA funds. With approval of these official depositories, the HRA will be able to deposit and invest funds in these institutions, not exceeding the federal insurance of \$250,000. Currently, U.S. Bank is the only bank designated as the official depository of the HRA.

An annual designation must also be made for certain financial institutions as depositories for the investment of HRA funds for 2026. These institutions, such as investment brokerage firms, offer government securities in the manner required by law. These financial institutions include RBC Capital Markets, Raymond James & Associates, Inc., Northland Securities, Oppenheimer & Co., Principal Custody Solutions, Moreton Capital Markets, Pershing Wealth Solutions BNY Mellon, and the 4M Fund.

CRITICAL TIMING ISSUES

N/A

FINANCIAL IMPACT

N/A

LEGAL CONSIDERATIONS

The HRA is required by Minnesota Statute 118A.01 - 118A.06, to designate as a depository of funds, insured banks or thrift institutions. Any collateral so deposited is accompanied by an assignment pledged to the HRA in the amount specified in the attached resolutions.

ALTERNATIVE RECOMMENDATION(S)

None.

ATTACHMENTS

1. Resolution designating US Bank as a 2026 depository
2. Resolution designating Bank and Credit Unions as 2026 depositories
3. Resolution designating Financial Institutions as 2026 depositories

RESOLUTION NO.

**RESOLUTION DESIGNATING U.S. BANK
A DEPOSITORY OF FUNDS OF THE HOUSING AND
REDEVELOPMENT AUTHORITY OF RICHFIELD FOR
THE YEAR 2026**

BE IT RESOLVED, by the Housing and Redevelopment Authority of Richfield as follows:

That, in accordance with Minnesota Statutes, Section 118A.01- 118A.06, U.S. Bank be, and hereby is designated a depository of the funds of the Housing and Redevelopment Authority, subject to modification and revocation at any time by said Housing and Redevelopment Authority, and subject to the following terms and conditions:

The said depository shall not be required to give bonds or other securities for such deposits provided that the total sum thereof shall not at any time exceed in any depository the sums for which its deposits are insured under the Acts of Congress of the United States relating to insurance of bank deposits; but that in case such deposits in any such depository shall at any time exceed such insured sum, said depository shall immediately furnish bonds or other security for such excess according to law, approved by the Housing and Redevelopment Authority of Richfield.

That said depository shall pay on demand all deposits therein; and shall pay all time deposits, at or after the end of the period for which the same shall be deposited, on demand.

BE IT FURTHER RESOLVED, that there shall be maintained a general account in which shall be deposited all monies. The following officers or their facsimile signatures shall sign checks on this account;

CHAIR
EXECUTIVE DIRECTOR

BE IT FURTHER RESOLVED, that all funds remaining in the account at the end of each business day will be transferred from U.S. Bank to the 4M Fund where funds deposited are invested and insured.

Passed by the Housing and Redevelopment Authority Richfield, Minnesota this 16th day of March, 2026.

Chair

ATTEST:

Secretary

RESOLUTION NO.

**RESOLUTION DESIGNATING CERTAIN SAVING AND LOAN ASSOCIATIONS,
BANKS, AND CREDIT UNIONS AS DEPOSITORIES FOR THE DEPOSIT AND
INVESTMENT OF HOUSING AND REDEVELOPMENT AUTHORITY OF RICHFIELD
FUNDS IN 2026**

BE IT RESOLVED, by the Housing and Redevelopment Authority of Richfield, Minnesota:

WHEREAS, pursuant to Minnesota Statutes, Sections 118A.01 – 118A.06, municipal funds may be deposited in any Savings and Loan Association, Bank or Credit Union which has its deposits insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA); and

WHEREAS, the amount of said deposits may not exceed the FDIC/NCUA insurance covering such deposits which insurance amount is presently \$250,000; and

WHEREAS, the deposit of Housing and Redevelopment funds in Savings and Loan Associations and Banks would provide greater flexibility in the Housing and Redevelopment Authority's investment program and maximize interest income thereon.

NOW, THEREFORE, BE IT RESOLVED, by the Housing and Redevelopment Authority Richfield, Minnesota, as follows:

1. It is hereby found and determined that it is in the best interest of the proper management of Housing and Redevelopment Authority funds that certain Savings and Loan Association and Banks be designated as additional depositories for Housing and Redevelopment Authority funds for 2026.
2. It is further found and determined that the purpose of such depository designation is to facilitate the proper and advantageous investments of Housing and Redevelopment Authority funds and that such designation is not exclusive, nor does it preclude the deposit of any Housing and Redevelopment Authority funds in other officially designated depositories of the Housing and Redevelopment Authority.
3. The Finance Director is hereby authorized to deposit Housing and Redevelopment Authority funds in various depositories up to the amount of \$250,000, or such other amount as may be subsequently permitted by law, such deposits to be in the form of demand accounts, payable to the Housing and Redevelopment Authority on the signatures of the Housing and Redevelopment Authority Finance Director. Such deposits may be made and withdrawn from time to time by the Finance Director as their best judgment and the interests of the Housing and Redevelopment Authority dictates.
4. The investment of funds and the reporting thereof pursuant to this resolution shall be conducted in accordance with established policies of the Housing and Redevelopment Authority regarding the investment of Housing and Redevelopment Authority funds.

Adopted by the Housing and Redevelopment Authority of Richfield, Minnesota this 16th day of March, 2026.

Chair

ATTEST:

Secretary

RESOLUTION NO.

RESOLUTION DESIGNATING CERTAIN FINANCIAL INSTITUTIONS AS DEPOSITORIES FOR THE INVESTMENT OF HOUSING AND REDEVELOPMENT AUTHORITY OF RICHFIELD FUNDS IN 2026

WHEREAS, the Housing and Redevelopment Authority of Richfield has money which is available for investment; and

WHEREAS, different financial institutions offer different rates of return on investments; and

WHEREAS, the Housing and Redevelopment Authority of Richfield shall purchase U. S. Treasury Bills, U. S. Treasury Notes and other such government securities in the manner required by law from the institution offering the highest rate to the Housing and Redevelopment Authority of Richfield providing greater flexibility in the investment program and maximize interest income thereon.

NOW, THEREFORE, BE IT RESOLVED, by the Housing and Redevelopment Authority Richfield, Minnesota, in accordance with Minnesota Statutes, Sections 118A.01 – 118A.06, as follows:

1. It is hereby found and determined that it is in the best interest of the proper management of Housing and Redevelopment Authority funds that certain financial institutions be designated as additional depositories for Housing and Redevelopment Authority of Richfield funds for 2026.
2. The following financial institutions designated as depositories for the Housing and Redevelopment Authority of Richfield funds:

RBC Capital Markets	Raymond James & Assoc.
Principal Custody Solutions	4M Fund
Northland Securities, Inc.	Oppenheimer & Co.
Moreton Capital Markets	Pershing Wealth Solutions BNY Mellon
3. The Finance Director is hereby authorized to deposit the Housing and Redevelopment Authority of Richfield funds in any or all of the depositories herein designated. Such deposits may be made and withdrawn from time to time by the Finance Director's judgment and as the interest of the Housing and Redevelopment Authority of Richfield dictates.
4. The investment of funds and the reporting thereof pursuant to this resolution shall be conducted in accordance with established policies regarding the investment of these funds.

Adopted by the Housing and Redevelopment Authority of Richfield, Minnesota this 16th day of March, 2026.

Chair

ATTEST:

Secretary