



CITY OF ANOKA

**Housing & Redevelopment Authority**

**Monday, May 9<sup>th</sup>, 2016**

**Anoka City Hall**

**Council Chambers**

**5:00 p.m.**

- I. Call to Order
- II. Roll Call
- III. Approval of the Agenda
- IV. Approval of Minutes
  - A. April 11<sup>th</sup>, 2016 Regular Meeting
- V. Open Forum
- VI. Unfinished Business
  - A. Walker Methodist Plaza Gardens Report
  - B. 1806 2<sup>nd</sup> Avenue Report
  - C. Other Reports
- VII. New Business
  - A. Consider Demolition Request for 500 Taylor Street
- VIII. Discussion Items
- IX. Tentative Agenda Items for Future Meetings
- X. Adjournment

# **AGENDA ITEM IV. A.**

**CITY OF ANOKA  
HOUSING AND REDEVELOPMENT AUTHORITY  
MEETING MINUTES – APRIL 11, 2016**

**Call to Order:** Chair Carl Youngquist called the meeting to order at 5:00 p.m.

**Roll Call:** Commissioners present were: Chair Carl Youngquist, Dave Bonthuis, Lynn Hopkins, Lori Manzoline, Colleen Werdien. Absent: None. Staff present were: Housing Manager Darin Berger, Finance Director Lori Yager. Others present: None.

**Approval of the Agenda:** MOTION BY COMMISSIONER BONTHUIS, SECONDED BY COMMISSIONER HOPKINS, TO APPROVE THE AGENDA AS PRESENTED.

UPON A VOICE VOTE, MOTION CARRIED.

**Approval of Minutes:**

**March 14, 2016, Regular Meeting:** MOTION BY COMMISSIONER HOPKINS, SECONDED BY COMMISSIONER BONTHUIS, TO APPROVE THE MARCH 14, 2016, REGULAR MEETING MINUTES AS PRESENTED.

UPON A VOICE VOTE, MOTION CARRIED.

**Open Forum:** No one appeared.

No one appeared.

**Unfinished Business:**

**Walker Methodist Plaza Gardens Report:** Mr. Berger stated there have not been any additional disbursement requests received since the fourth one on February 22. Per the development agreement, the HRA is reimbursing Walker Methodist up to \$250,000 in Tax Increment Financing (TIF) funds towards earthwork/site work for this project. In addition to the \$250,000, the HRA also agreed to provide up to \$17,500 towards soil corrections for a total maximum of \$267,500. Based on that language there is currently \$76,844 remaining to be paid to Walker Methodist.

Mr. Berger recapped the disbursements already paid for a grand total of \$190,656. In addition to the current project at Walker Plaza Gardens, Walker Methodist is in the process of refinancing Walker Plaza and intends to put up \$1.5 million into the existing building later this year. Improvements are set to include exterior façade upgrades, interior reconfiguration of spaces and cosmetic finishes.

Mr. Berger said as of April 7, 2016, Walker Plaza Gardens has an interest list of 20 people. This number will significantly increase as the project nears completion later this summer. Weis Builders are constructing the project efficiently and are still on schedule for an August/September 2016 completion. Staff shared recent project photos and said Walker Methodist plans to have a soft opening in September and grand opening in October.

Commissioner Bonthuis inquired about the deck area on the south side of first floor. Mr. Berger said he thought the deck was to be included more on the west side of the building and it will include some landscaping to provide more privacy on the south side.

Chair Youngquist said the site will include a good-size retention pond as well.

Commissioner Bonthuis said he continues to be impressed with this project.

Action Requested: No action is necessary at this time; informational only.

**North Suburban Home Improvement Show Recap:** Mr. Berger stated the 18<sup>th</sup> annual North Suburban Home Improvement Show was held Saturday, March 12 at the Andover YMCA Community Center. This year's event was a huge success and drew around 1,050 attendees. While this number is a couple hundred lower than last year that was mostly due to unseasonable warm weather and exhibitors and attendees were still very pleased with the event. In addition to solid attendance numbers, there was also nearly 237 pounds of food and \$31.25 donated to ACBC Food Shelf that was collected by Cub Scout Pack 609. Mr. Berger shared survey results with the Board and said next year's event will be held on March 11, 2017. He thanked all who attended, including sponsors, to help make this event a continued success.

Mr. Berger said they received good feedback overall from the survey, noting the *Anoka Shopper* continues to be the best source for information and lower cost for marketing efforts compared to the *Star Tribune* so they may adjust dollars spent there next year. He said many thought the variety of vendors is best so they believe they are on the right track. Mr. Berger noted that many attendees plan to hire someone as a result of this show and noted one vendor in particular received some really good contacts. He said the exhibitor survey showed the majority of vendors were satisfied with the costs, set up, and attendance and noted the Committee takes these surveys seriously to help plan the next year's event.

Commissioner Bonthuis said compared to other shows very few are going to receive more positive comments than this show as it has a very high approval rating. Mr. Berger agreed, stating many vendors tell them this is their favorite home improvement show.

Chair Youngquist said they reduced the number of vendors allowed a few years ago which helped with traffic flow and shared the example of one vendor obtaining 16 leads that resulted in \$400,000 worth of business, adding this year the vendor obtained 29 leads. He added those vendors who know how to work a booth do very well at this show.

Action Requested: No action is necessary at this time; informational only.

**Chairpersons Quarterly Meeting Recap:** Chair Youngquist stated that he attended the quarterly Chairpersons Communication Board meeting on April 6 and gave a brief recap of discussion points. He said Chairs from the Planning Commission, Economic Development Commission, Park and Recreation, and Charter Commission all attended and complimented City Clerk Amy Oehlers on presenting the Council goals and objectives. He noted that Mr. Berger

updated the Chairs on the Walker Plaza Gardens project, 1806 2<sup>nd</sup> Avenue acquisition, and other topics.

Mr. Berger agreed it was a good meeting.

Action Requested: No action is necessary at this time; informational only.

**1806 2<sup>nd</sup> Avenue Report:** Mr. Berger stated the HRA purchased 1806 2<sup>nd</sup> Avenue on February 26, 2016 and since then staff has toured the property with the Heritage Preservation Commission (HPC), given access to the Anoka County Sheriff's Department/Anoka Police Department for training purposes, Environmental Property Audits, Inc. has completed all necessary testing, and Mavo Systems has removed all asbestos/regulated waste material. Mr. Berger shared both companies' reports and invoices with the Board.

At the March 14, 2016, meeting, Sauter and Sons was awarded the demolition bid; however, work has been slightly delayed due to weight restrictions on City streets. Demolition is anticipated to be completed by the end of this week or early part of next week at the latest. Staff has begun contacting developers to gauge interest in the HRA-owned land near this site.

Chair Youngquist said he is pleased to be able to work with this contractor.

Action Requested: No action is necessary at this time; informational only.

**Other Reports:** Mr. Berger said there were no other updates at this time.

Commissioner Bonthuis noted he recently visited the It's All About Sleep store and was very impressed. He said it is functional and attractive and is a great improvement.

**New Business:**

**Review Quarterly Financial Report:** Finance Director Lori Yager shared the 2016 first quarter financials, which reflects primarily cash activities for the HRA.

Action Requested: No action is necessary at this time; informational only.

**Center for Energy and Environment (CEE) Quarterly Report:** Mr. Berger stated CEE administers all City of Anoka HRA-funded loans. He shared a report of loan activity for the period of January 1 through March 31, 2016 for Board review and comment. Staff also shared an activity report from last year during this same period for Board reference.

Action Requested: No action is necessary at this time; informational only.

**Discussion Items:** None.

**Tentative Agenda Items for Future Meetings:**

None.

**Adjournment:** MOTION BY COMMISSIONER, SECONDED BY COMMISSIONER, TO ADJOURN. The motion carried, the meeting was adjourned at 5:36 p.m.

Submitted by: Cathy Sorensen, *TimeSaver Off Site Secretarial, Inc.*

# **AGENDA ITEM VI. A.**

---

# Memo

**To:** HRA Board Members  
**From:** Darin Berger, Housing Manager  
**Date:** May 9<sup>th</sup>, 2016  
**Re:** Walker Methodist Plaza Gardens Report

---

On April 21<sup>st</sup> the skyway connecting Walker Plaza and Walker Plaza Gardens was installed. This was huge undertaking, but one that is an integral part of the future synergy of these two buildings. Your packet includes pictures of the process of this first for the City of Anoka.

In addition to the Anoka Union covering the event, Walker Methodist hired a company to film the raising of the skyway and interview the key stakeholders that made it happen. HRA Staff was asked to help tell the HRA's story and comment on the skyway being dedicated to Merrywayne Elvig. QCTV also just aired a segment on their May Edition of Anoka News and Views.

As of May 6<sup>th</sup>, 2016 Walker Plaza Gardens has an interest list of 25 people. This number will significantly increase as the project nears completion later this summer. Current residents have until May 15<sup>th</sup>, 2016 to reserve their choice of rooms.

There have not been any additional disbursement requests received for this project since the 4<sup>th</sup> one on February 22<sup>nd</sup>. Per the development agreement, the HRA is reimbursing Walker Methodist up to \$250,000.00 in Tax Increment Financing (TIF) funds towards Earthwork/Site work for this project. In addition to the \$250,000.00, the HRA also agreed to provide up to \$17,500.00 towards Soil Corrections for a total maximum of \$267,500.00. Based on that language, there is currently \$76,844 remaining to be paid to Walker Methodist.

Here is a recap of disbursements already paid:

Disbursement #1: \$124,705  
Disbursement #2: \$28,920  
Disbursement #3: \$26,770  
Disbursement #4: \$10,261

**GRAND TOTAL: \$190,656.00**

In addition to the current project at Walker Plaza Gardens, Walker Methodist is in the

process of refinancing Walker Plaza and intends to put up to \$1.5 million into the existing building later this year. Improvements are set to include exterior façade upgrades, interior reconfiguration of spaces and cosmetic finishes.

Weis Builders are constructing the project efficiently and are still on schedule for an August/September 2016 completion. Staff has included pictures that were recently taken for your review. Walker Methodist plans to have a soft opening in September and a Grand Opening in October for this project.

**Action Requested: No action necessary at this time, informational only.**



# **AGENDA ITEM VI. B.**

---

# Memo

**To:** HRA Board Members  
**From:** Darin Berger, Housing Manager  
**Date:** May 9<sup>th</sup>, 2016  
**Re:** 1806 2<sup>nd</sup> Ave Report

---

On April 18<sup>th</sup>, 2016 Sauter & Sons demolished the two-unit structure at 1806 2<sup>nd</sup> Avenue. Staff was on hand and there are pictures in your packet of the demolition.

As you all know, this was the final structure the HRA was set to acquire and demolish in this area prior to moving ahead with marketing for redevelopment. Since that time, Staff has been in contact with several brokers and a developer to gather information and determine how the HRA should proceed. There were some favorable responses and the Board will be updated at our June meeting as to how those efforts are progressing.

**Action Requested: No action necessary at this time, informational only.**



# **AGENDA ITEM VII. A.**

---

# Memo

**To:** HRA Board Members  
**From:** Darin Berger, Housing Manager  
**Date:** May 9<sup>th</sup>, 2016  
**Re:** Consider Demolition Request for 500 Taylor Street

---

The Elim Baptist Church is considering demolition of a house they own at 500 Taylor Street adjacent to their church. The house has been vacant for many years and has recently been used as storage for the Church. They approached the HRA after hearing we may have funds available to help them with costs for this project.

The Anoka Scattered Site Replacement Program (SSRP) was established to reduce the impact of substandard and/or vacant housing to improve residential neighborhoods, to improve the City's housing stock and to increase the city's tax base. In this particular case the applicant is asking for Demolition Assistance and/or Dumpster Rental Assistance for an existing home but the intention is not to rebuild a single family home on the site. Elim Church would like to move their community garden to that space and expand it to include flower gardens and landscaped areas. Refer to the SSRP Guidelines in your packet for more details. Specifically, Option III on page nine would be the most fitting for this request.

This is an atypical request for this program, but one Staff felt the Board should make the final determination on.

**Action Requested: Staff is requesting the Board to approve or deny Elim Baptist's Church request for demolition assistance of either kind, by motion, second and vote.**



HOUSING & REDEVELOPMENT AUTHORITY  
City Of Anoka

Housing and Redevelopment Authority  
Demolition Assistance  
Application For Funds

**Applicant Information**

Name: Randy Bamer  
Current Address: 503 Polk Street, Anoka  
Telephone: 763-421-8124 ext. 11

**Property Information**

Property Address: 500 Taylor St. Anoka  
Current Zoning: Residential  
Estimated Market Value After Completion: \$39,900 for land  
Completion Date: \_\_\_\_\_

**Demolition Information**

You must submit two estimates for demolition (please indicate who you selected)

	Demolition Contractors	Bid Amount
1.	<u>Scheiber Inc.</u>	<u>17,450.00</u>
2.	<u>Nitti Roll-Off</u>	<u>\$13,184.00</u>

**Builder Information**

Builder Name: N/A  
Address: \_\_\_\_\_  
Construction Date: \_\_\_\_\_  
Completion Date: \_\_\_\_\_

Please include plans and specifications for the replacement house.



HOUSING & REDEVELOPMENT AUTHORITY

City Of Anoka

Housing and Redevelopment Authority

Dumpster Rental Assistance

Application For Funds

**Applicant Information**

Name: Randy Gamer or Krista Mason  
Current Address: 503 Polk St. Anoka  
Telephone: 763-421-8124

**Property Information**

Property Address: 500 Taylor St. Anoka  
Current Zoning: Residential (Exempt)  
Estimated Market Value After Completion: \$38,900 for land  
Completion Date: \_\_\_\_\_

**Demolition Information**

You must submit two estimates for dumpster rental (please indicate who you selected)

	Dumpster Company		Bid Amount
1.	Next Day Dumpsters	30 yards	\$ 445
2.	Randy's Sanitation	40 yards	\$ 527.75

**Builder Information**

Builder Name: N/A  
Address: \_\_\_\_\_  
Construction Date: \_\_\_\_\_  
Completion Date: \_\_\_\_\_

**Please include plans and specifications for the replacement house.**

The plan for the area on which the house currently sits is to move our community garden to that space and expand it to include flower gardens and landscaped areas.

Anoka County, MN



PROPERTY ID	06-31-24-31-0050	OWNER	ELIM BAPTIST CHURCH
ADDRESS	500 TAYLOR ST	OWNER ADDRESS	503 POLK ST
CITY	ANOKA	OWNER CITY	ANOKA
STATE	MN	OWNER STATE	MN
ZIP CODE	55303	OWNER ZIP	55303



*Disclaimer: Map and parcel data are believed to be accurate, but accuracy is not guaranteed. This is not a legal document and should not be substituted for a title search, appraisal, survey, or for zoning verification.*

Map Scale  
**1 inch = 100 feet**  
 5/6/2016



# **Anoka HRA Scattered Site Replacement Program Guidelines**

The Anoka Scattered Site Replacement Program (“SSRP”) was established in 2007 to reduce the negative impact of substandard and/or vacant housing to improve residential neighborhoods, to improve the City’s housing stock and to increase the city’s tax base. The following are guidelines for purchase, demolition and resale of properties participating in this pilot program. The HRA reserves the right to modify the guidelines upon approval by the HRA Board.

## **Option I –Non-Profit Housing Partner**

The HRA may opt to partner with a non-profit housing partner for the purchase and demolition and redevelopment or the purchase and rehabilitation of a single or two-family home under this option.

### **A. Purchase Offer**

The HRA or the Housing Partner may identify sites to facilitate the SSRP. The Housing Partner or the HRA may negotiate the voluntary purchase price directly with the property owner.

### **B. Development Agreement with Non-Profit Housing Partner**

The HRA may choose to implement the purchase and redevelopment or rehabilitation of property through a non-profit Housing Partner. In this case, the HRA will enter into a Development Agreement with the Housing Partner, which will include, but is not limited to, the following.

1. Proposed house design.
2. Estimated market value of the property and improvements.
3. Amount of gap funding needed.
4. Start and Completion dates.

**C. Non Profit Housing Partner Qualifications**

Upon receipt of a proposal, the HRA will evaluate the non-profit qualifications based on the following criteria:

1. Length of time in business
2. Experience developing scattered site, infill single family homes
3. Demonstrate the financial capability by providing:
  - a. A statement from a financial institution of sufficient construction capital or financing commitment to complete the project; or
  - b. A letter of Credit in the correct amount, as required by these procedures.

The HRA reserves the right to reject any Development Proposal.

**D. GAP Funding Limitation**

The HRA will consider gap funding to facilitate the redevelopment of substandard property through a non-profit organization with a maximum of \$75,000 in gap funding. A project pro forma prepared by the non-profit and acceptable to the HRA shall be required to evaluate financial need and assistance if any. The HRA reserves the right to consider a larger gap amount due to other circumstances regarding the property condition and other market forces. This will be considered on a case-by-case basis.

## **OPTION II - Acquisition & Resale of Property by the HRA**

### **I. Acquisition of Property**

#### **A. Determination of Offer Amount**

##### **1. Appraisal**

A fee appraisal may be ordered at the HRA's direction and expense. The appraisal shall be used by the HRA to determine the amount of the purchase price to offer to the Property Owner.

The independent fee appraiser shall be instructed to document the specific conditions of the property including details regarding structural condition and floor plan. The acceptance of these conditions in the market place should be discussed in the report. The appraiser's value judgment should reflect these conditions.

A negotiated price based on the County Assessor's market value may be acceptable without an appraisal if both parties concur.

##### **2. Additional Information**

The following information may also be required:

- a. Information necessary for estimating demolition costs.
- b. A determination as to the existence of any hazardous materials on the property. This includes:
  - (1) A visual inspection.
  - (2) A statement from the Property Owner regarding any knowledge of the property's use for production, storage, deposit, or disposal of any toxic or hazardous wastes or substances or asbestos products whatsoever, during the time the Property Owner owned the property and prior to the date of Property Owner purchased property. Properties with environmental problems or hazards may be considered if the purchase price is reduced sufficiently to cover increased site clearance and preparation costs.
- c. Information concerning the existence any wells (sealed or unsealed) on the property.

**B. Purchase Agreement and Closing Procedures**

1. The HRA authorizes the Program Staff, its Realtor consultant and Legal Counsel (as needed) to negotiate a purchase agreement for properties under this program contingent upon approval of the HRA Board.
2. Program Staff, Realtor consultant and Legal Counsel (as needed) shall prepare a purchase agreement for consideration by the property owner. Upon execution by the seller, the Purchase agreement shall be presented to the HRA Board for approval. The purchase agreement shall not be effective until approved by the HRA. The final purchase price contained in the Purchase Agreement shall not exceed the price authorized by the HRA.

The Purchase Agreement shall be contingent on the completion of an environmental evaluation suggesting no evidence of hazardous waste on the property. The Property Owner shall receive a copy of the Purchase Agreement including the following information:

- (a) The purchase price.
  - (b) The amount of earnest money.
  - (c) A date to sign the Purchase Agreement.
  - (d) A closing date.
3. To enable the acquisition process to continue, the Property Owner must execute the Purchase Agreement and "waiver of relocation benefits" form if requested by Program staff. The waiver of relocation must be clearly explained to the Property Owner at this time, if not explained previously.
  4. The HRA Executive Director and Chairperson shall be signatories on the Purchase Agreement.
  5. Following HRA authorization of these agreements, Property Owners and/or Program Staff will be requested to assemble and supply all required documentation prior to closing as outlined below.
    - (a) A title insurance commitment must be furnished to the Program Staff to facilitate the rendering of a title opinion. The Property Owner will bear the cost of purchasing such title insurance commitment.

- (b) If the title insurance commitment indicates the property has a marketable title, purchase procedures will continue. If the title insurance commitment does not indicate a marketable title, the HRA, at its sole discretion, may choose not to purchase the property.
  - (c) The HRA may determine remedies and evaluate additional time and expense to provide a marketable title. The HRA may proceed to correct title deficiencies, dependant upon the additional time and expense incurred.
  - (d) Simultaneously with the title insurance commitment, an environmental evaluation may be obtained from an independent environmental engineering firm or other firm performing such service, if needed. If environmental hazards are found on the site, the HRA may choose not to acquire the property.
6. The seller must be prepared to vacate the property on the day of closing unless other arrangements have been made with Program Staff.
7. If the Property Owner decides not to sell the property after execution of the Purchase Agreement then the Property Owner must provide the HRA with the following:
- a) A letter expressing their desire not to proceed with selling the property.
  - b) The full amount of earnest money received upon execution of the Purchase Agreement.
  - c) Full payment of legal and consulting fees incurred by the HRA after the execution of the Purchase Agreement in preparation for the closing of the property
8. Program Staff will notify the adjacent property owners of property acquisition when the Purchase Agreement is accepted by both parties.

**C. Selection of Demolition Contractor**

After the property closing, Program Staff will work with the Anoka Champlin Fire Department to determine if the house is a candidate for a practice burn. If not, Program Staff will select a demolition contractor by obtaining bids from at least two demolition contractors. The bid received with the lowest price will have priority. The demolition contractor must be able to meet project deadlines as outlined by the HRA prior to awarding a contract. The demolition contractor will be required to obtain all necessary

City permits and pay applicable fees. All debris must be removed when completed. Program Staff will provide overall demolition supervision.

## **II. Subsequent Resale of SSRP Properties**

### **A. Marketing of Property**

Program Staff, or appointee, will advertise in professional publications or newspapers, by direct mail, via the Internet, City newsletter/publications or other methods as deemed appropriate, to solicit Builder and End Buyer interest.

### **B. Sale of Property**

The HRA prefers to sell property it acquires to a Builder and End Buyer team. Offers will be considered based on the amount offered for the lot and the quality of the proposed redevelopment.

Offers to purchase a SSRP lot may be made by a developer, builder and/or End Buyer team. A speculative project by a developer, builder or by a non-profit entity will also be considered. All offers must be made on a standard residential purchase agreement and shall include at a minimum, an earnest money deposit of \$500

On occasion, the HRA may consider offers by the adjacent property owners to purchase a portion of the lot, provided that the remaining parcel meets the zoning requirements for a buildable lot. To be considered, adjacent property owners must submit a letter of interest prior to the property being placed under sales contract.

The HRA reserves the right to reject any and all offers at its discretion.

### **D. Development Agreement**

Upon approval of a purchase offer by the HRA, the successful bidder shall enter into a Development Agreement with the HRA. prepared by the HRA's Legal Counsel.. The Development Agreement will stipulate housing design and a time frame for starting and completion of the project. The development agreement and final plans must be approved by the

HRA prior to closing. The buyer must execute the Development Agreement by the time of property sale from the HRA to the buyer.

The selected buyer shall enter into a Development Agreement that will include, but is not limited to, the following information:

1. Proposed house design including elevations of all sides and floor plans.
2. Estimated market value of the property and improvements.
3. Purchase price of lot.
4. Start and Completion dates.
5. Financial guarantee or proof of financing submitted by the buyer with a minimum amount equal to 100% of the minimum improvement value.
6. Revesting of Title. Subject to unavoidable delays, if the Builder fails to carry out its obligations with respect to the construction of the Minimum Improvements, the HRA will have the right to re-enter and take possession of the property. The HRA at its option may declare a termination in favor of the HRA of the title and that the title and all rights and interests of the Builder shall revert to the HRA.

The HRA reserves the right to reject any Development Proposal.

#### **E. Builder Qualifications**

Private Developers may be approved by HRA to construct new single-family homes on identified property.

1. Upon receipt of a proposal, HRA staff will evaluate the Builder based on the following requirements:
  - a. Have a valid Purchase Agreement with an End Buyer, for the property they would like to purchase. The Builder and End Buyer must sign a statement indicating that the Purchase Agreement is valid and true.

A speculative project by a Builder may be considered if all other program requirements can be met. However, neither the Builder, nor the Builder's subcontractor nor the Builder's Real Estate Agents may occupy or purchase the property.

- b. Demonstrate financial capability by providing:
  - (1) A statement from a financial institution of sufficient construction capital or financing commitment to complete the project; or,
  - (2) A Letter of Credit in the correct amount, as required by these procedures.
- c. Meet state insurance requirements including but not limited to: adequate Builder's Risk, Comprehensive General Liability and Worker's Compensation Insurance coverage. HRA shall be the sole judge as to adequacy of coverage amounts.
- d. Have a written warranty policy to be shared with the Homeowner or possess H.O.W. insurance or equivalent to perform warranted repairs required by MN State Statute.
- e. The Builder should be prepared to provide favorable references from:
  - (1) Three satisfied customers.
  - (2) Three major suppliers, one being the construction lumber supplier.
  - (3) Building inspectors from two cities in which the builder has worked in that city within the past three years.
- f. Provide preliminary plans within 30 days of an executed Purchase Agreement or at a reasonable time shortly thereafter. This time period should not exceed 60 days.
- g. Enter into a Development Agreement. The Builder or owner must execute the Development Agreement by the time of sale.. The time period between execution of the purchase agreement and closing on the property should typically not exceed 60 days. Final plans must be reviewed and accepted by HRA, Program Staff and the Building Official prior to entering into a Development Agreement.
- h. Every effort must be made to complete construction and End Buyer closing and occupancy within 150 days of sale by the HRA, subject to winter conditions.
- i. An End Buyer may not function as the Builder under this Program. A qualified Builder is required.

## **Option III - Demolition Assistance**

The HRA will consider offering financial assistance to an owner who is acquiring or has ownership of a substandard residential property with the intent of demolishing the structure in order to build a new single-family owner occupied home on the site.

### **A. Comprehensive Plan/Zoning**

The Comprehensive Plan designation and the zoning on the property must allow for construction of a replacement single-family residence. If a variance is required to redevelop the property, the property owner must obtain the variance prior to the award of demolition funds. If the variance is not granted, demolition funds shall not be awarded.

### **B. Development Agreement**

The HRA shall authorize Program Staff to negotiate a Development Agreement with the Property Owner and Builder of properties determined to be eligible in accordance with Section II above. Legal Counsel shall prepare a Development Agreement upon approval of plans and builder requirements by Program Staff and HRA. The Development Agreement will stipulate housing design and a time frame for completion. The Builder and/or Property Owner must execute the Development Agreement with the HRA. The time period between an executed Participation Agreement should typically not exceed 60 days. After 60 days, HRA reserves the right to withdraw its acceptance of the Offering Letter.

The selected Builder and/or Property Owner shall receive a copy of the Development Agreement that will include, but is not limited to, the following information:

1. Proposed house design.
2. Estimated market value of the property and improvements after completion.
3. Completion date.

The HRA reserves the right to reject any Development Proposal.

### **C. Selection of a Demolition Contractor**

The Property Owner will submit at least two demolition estimates to determine the amount the HRA will reimburse the Property Owner for demolition. The bid received with the lowest price will have priority. The

demolition contractor will be required to obtain all necessary City permits and pay applicable fees.

**D. Additional Requirements**

Upon receipt of a proposal, HRA staff will evaluate the request based on the following requirements:

- a. The Builder's ability to meet criteria listed in Section E, Builder Qualifications, above.
- b. Have the ability to provide preliminary plans within 30 days of an accepted Offering Letter or at a reasonable time shortly thereafter. This time period should not exceed 60 days.
- c. Enter into a Development Agreement. The Builder and /or Property Owner must execute the Development Agreement with HRA within 60 days of an accepted Offering Letter. Final plans must be reviewed and accepted by HRA and Program Staff prior to entering into a Development Agreement.
- d. Every effort must be made to complete construction and Owner occupancy within 150 days of the signed Development Agreement subject to winter conditions.
- e. A Property Owner may not function as the Builder under this Program. A qualified Builder is required.
- f. Property Owners, unless licensed by the City in the trade specified, may not put in any sweat equity into the construction of the foundation, wall/roof framing, shingling nor any other exterior work, electrical, plumbing, HVAC systems, nor interior carpentry.

# New Construction Guidelines

## A. Building Criteria

The development of all sites shall meet the new construction criteria listed below, as reviewed and approved by the HRA. To maximize the development of a given lot, the HRA reserves the right to explore all development options without obligating the HRA to support any specific proposal, idea or solicitation.

The HRA composed this criteria to ensure that homes built under this program compliment the surrounding neighborhood and respond to specific concerns of the HRA. HRA may choose not to enter into a development agreement for the construction of a new home or fund demolition assistance, if, upon design review, the design is deemed to not be complimentary with the neighborhood. HRA reserves the right to reject any proposal.

In the absence of design standards, the HRA would place the following criteria.

### 1. **Design**

- a. Each new home shall be a detached, stick-built, new construction, single family dwelling. An approved modular home may be acceptable.
- b. Three and four bedroom homes are preferred. A minimum **of** three finished bedrooms will be required
- c. Two full bathrooms are preferred. A minimum of one full bath and a 3/4 bath roughed in will be acceptable.
- d. A two-car garage, attached or detached, shall be provided, when possible, on the site
- e. Exterior materials (siding, soffit, doors and windows) should be maintenance-free. Brick, aluminum, vinyl, steel, stucco and cementitious type siding are preferred. Hardboard siding materials are not acceptable.
- f. Roof valleys must be metal, not woven. House design is a critical concern. The house building lines, variable rooflines, door and window placement used to minimize blank wall mass and house orientation to the street must present a balanced and pleasing view from all sides.

- g. Unit height and mass and style of home shall be compatible with homes in the surrounding neighborhood.
- h. A full basement shall be provided unless the selected design results in a split-level or garden-level type of basement.
- i. All homes must be built in accordance with the City's Comprehensive Plan and City Ordinances. The home must also conform to Zoning Code, unless a variance is granted.

### **3. Site Standards**

- a. Construction must conform to current requirements unless a variance is granted. Refer to City Zoning Code for additional details.
- b. A landscape plan that is acceptable to the HRA is required as part of the Development Agreement. Landscaping must be completed within one year of the signed Development Agreement and warranted for a period of one year from installation.
- c. The construction site grading and finished structure must improve or not have a detrimental impact on storm water drainage patterns in the neighborhood. Neighboring properties should not be disturbed to create drainage swales. Reworking on existing site grade to improve neighborhood drainage may be requested.

### **4. General Standards**

- a. All homes constructed under this program are intended to be owner-occupied, detached, new construction. Homes must remain owner occupied or be resold to an owner-occupant for a period of five years.
- b. The construction process must not disturb adjoining properties. Construction planning is important because side-yard setbacks do not provide much construction space. The construction site, neighboring properties and adjacent public streets shall be keep free of construction debris at all times. No construction workers, equipment or materials shall enter neighboring properties.

## **Rehabilitation Standards**

The Anoka HRA shall hire a construction manager to develop specifications for the house to be rehabilitated. The construction manager will make the determination as to what needs to be repaired.