1. Housing And Redevelopment Authority (HRA) Meeting Agenda
   Documents:
   July 2020 Regular Meeting Agenda.pdf

2. Housing And Redevelopment Authority (HRA) Meeting Packet
   Documents:
   July 2020 Regular HRA Board Meeting Packet.pdf
I. Call to Order

II. Roll Call

III. Approval of the Agenda

IV. Approval of Minutes
A. June 8th, 2020 Regular Meeting

V. Open Forum

VI. New Business
A. Center for Energy and Environment Quarterly Report

VII. Discussion Items
A. Highland Park Townhomes Property Management

VIII. Unfinished Business
A. 1804 First Avenue Infill Update
B. 7th Ave/Main Street Redevelopment Update
C. Rental Conversion Loan – 1627 Ferry Street Update
D. COVID-19 Small Business Loan Update
E. Other Reports

IX. Tentative Agenda Items for Future Meetings

Closed Session – Pursuant to Minn. Stat. § 13D.05
A. Consideration of Purchase of 1532 3rd Avenue

X. Adjournment
CITY OF ANOKA
Housing & Redevelopment Authority
Monday, July 13th, 2020
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. June 8th, 2020 Regular Meeting

V. Open Forum

VI. New Business
   A. Center for Energy and Environment Quarterly Report

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VIII. Unfinished Business
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   C. Rental Conversion Loan – 1627 Ferry Street Update
   D. COVID-19 Small Business Loan Update
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IX. Tentative Agenda Items for Future Meetings

Closed Session – Pursuant to Minn. Stat. § 13D.05
   A. Consideration of Purchase of 1532 3rd Avenue

X. Adjournment
AGENDA ITEM IV. A.
Call to Order: Chairperson Carl Youngquist called the meeting to order at 5:00 p.m.

Roll Call: Commissioners present were: Chairperson Carl Youngquist; Commissioners Dave Bonthuis, Commissioners Lori Manzoline, Colleen Werdien, and Kristina Wilberg. Absent: None. Staff present were: Housing and Redevelopment Manager Darin Berger. Others present:

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

UPON A VOICE VOTE, MOTION CARRIED.

Approval of Minutes:
May 11, 2020, Regular Meeting: MOTION BY COMMISSIONER MANZOLINE, SECONDED BY COMMISSIONER WILBERG, TO APPROVE THE MAY 11, 2020, REGULAR MEETING AS PRESENTED.

UPON A VOICE VOTE, MOTION CARRIED.

The Board congratulated Housing and Redevelopment Manager Darin Berger for nine years of service with the City.

Open Forum:
No one appeared.

New Business:
None.

Discussion Items:
City of Anoka COVID-19 Small Business Revolving Loan Program: Mr. Berger stated at the regular Council meeting of April 20, 2020, the City Council directed staff to research an option for a potential revolving small business loan program for businesses affected by COVID-19. There were reports of local business owners who were adversely affected by the loss of business and the City Council wanted to discuss ways to assist them through this difficult time. He added at the April 27 Council meeting discussion was held regarding the proposed program and gave staff direction to develop a draft of what the program might look like. Mr. Berger said after much discussion at the May 4 regular meeting the Council approved the COVID-10 Small Business Revolving Loan Program and a $250,000 budget. Funding will come from the Urban Redevelopment Fund historically used for SAC/WAC loans for small businesses. He outlined the maximum loan amounts, interest rates, and terms and criteria for the loan recipients then outlined the application processing, closings, and disbursements through City staff with loan administration through the Center for Energy and Environment (CEE).
Action Requested: None at this time. Informational purposes only.
Chair Youngquist confirmed the Anoka Area Chamber of Commerce was aware of the program and would share with their contacts that would be applicable to Anoka businesses only.

Commissioner Werdien asked if the interest rate was comparable to banks and confirmed who would be on the selection panel and asked for further explanation of WAC/SAC. Mr. Berger said the interest amount was a little higher but the reason was for consistency for businesses and homeowners then explained the source for the funds.

Commissioner Bonthuis suggested sharing this program with the local newspaper.

**Unfinished Business:**

**1804 First Avenue Infill Update:** Mr. Berger shared that at the May 11 meeting the Board approved the sale of the HRA lot at 1804 First Avenue. The buyers offered $60,000 cash and the Board accepted the offer with contingencies of utility hookups, soil testing, and HRA approval by June 12. He said that according to Nathan Gunn of Foundational Realty all is on track for a successful closing. No issues were expected to arise during the due diligence period that ends June 12. Buyers are currently working on final house plans and anticipates being completed in the next couple weeks and will be forwarded to staff for final review. Mr. Berger noted the plan was to close at the end of the month once the lot combination is filed with Anoka County Property Records and Taxation Department. He shared renderings of the proposal and said he would keep the Board updated on the project.

Action Requested: None at this time. Informational purposes only.

**7th Avenue/Main Street Redevelopment Update:** Mr. Berger shared that after clearing the site and removing the oil tanks, three 55-gallon barrels of hazardous waste liquid had to be picked up and sent to Memphis TN for testing. This is standard procedure, but we had to register the waste with the County and MPCA before they could be removed from the site. This has now been completed and we are waiting removal of the dumpster on site. Mr. Berger said in March the 1.24-acre property was listed by CBRE for $1.5 million then recapped the marketing efforts taken and our broker has received calls from interested buyers and shared some proposals including Dunkin Donuts, dental office, Starbucks, Kwik Trip, and many others. He said he has remained in contact with the owners of 1919 7th Avenue; the owners are still interested in selling but would like to sell their business first and staff will update the Board should anything change.

Action Requested: No action is necessary at this time, discussion item only.

Chair Youngquist shared comments about the pandemic’s effect on commercial properties and said he was pleased there was discussion going one for this site.

Commissioner Bonthuis asked for more information on Christian Brothers Automotive. Mr. Berger said that use would not be appropriate for this site based on feedback from Council, Planning Commission and HRA at a previous work session.
Commissioner Manzoline noted Christian Brothers constructs very nice buildings and would support a Whole Foods proposal.

**Rental Conversion Loan – 1627 Ferry Street Update:** Mr. Berger said that in 2018 the Board directed staff and the Center for Energy and Environment (CEE) to create a rental conversion loan program in order to reduce the number of rental units in Anoka. This well intended program is not for everyone but we have found an interested party that was looking for some help to convert their 1890 duplex into a single-family, owner-occupied home. He said CEE approved the loans at the end of February and the Cords are taking advantage of both programs for a total loan amount of $100,000. The $50,000 loan from the deferred loan program requires a 1:1 match and using the other as their match. He said the duplex conversion would entail a wide range of work and one component will be to convert the heating system from two boilers to a forced air system and remove an interior separate entrance to the upstairs. They also plan to remove the upstairs kitchen and convert it to their laundry room currently in the basement as well as other framing, electrical, plumbing, and other items. Mr. Berger said exterior work is planned outside the program scope of work and the owners intend to make further improvements on their own this summer. He shared the project was delayed slightly due to COVID-19 but they have since focused on the rear portion of the home then outlined specific projects but was moving along nicely and excited to see the finished home. Mr. Berger shared that since passing electrical, plumbing and framing inspections the Cords have been working diligently on their project and have now moved on to drywall and paint and tile and are now preparing the original trim and doors to be reinstalled. Mr. Berger shared photos of the progress to date.

**Action Requested:** No action is necessary at this time, discussion item only.

**Other Reports:**
Mr. Berger shared an update on the occupancy plan for 111 Harrison Street in order to begin holding events such as weddings and funerals.

Chair Youngquist asked about the fire suppression loan program. Mr. Berger shared about Nevada Iowa’s fire suppression program and the opportunity for a video with the National Fire Suppression Association. He explained how their downtown was similar to downtown Anoka and his contribution to the video about what Anoka learned during program creation, funding, history, etc. and how the fire department will conduct a live burn at City Hall one with fire suppression and one without to emphasize the benefits of the grant program that comprised five blocks with total funding of $1.2 million.

Chair Youngquist thanked Mr. Berger for his participation and work in this program. Mr. Berger spoke about how the program began with a master plan to preserve the Central Business District through former manager Jennifer Bergman. The Board also spoke about former Commissioner Elvig’s work with this program.

**Tentative Agenda Items for Future Meetings:**
None.
Adjournment: MOTION BY COMMISSIONER BONTHUIS, SECONDED BY COMMISSIONER MANZOLINE, TO ADJOURN THE REGULAR MEETING. The motion carried, the meeting was adjourned at 5:48 p.m.

Submitted by: Cathy Sorensen, TimeSaver Off Site Secretarial, Inc.
AGENDA ITEM VI. A.
The Center for Energy & Environment administers all City of Anoka Housing & Redevelopment Authority funded loans. Staff has provided a report of loan activity for the period of April 1st, 2020 through June 30th, 2020 for your review and comment.

Staff has also included an Activity Report from last year during this same period.

CEE currently has one (1) Senior Deferred Loan that has been approved (not closed) that will bring down the balance to $11,851 and we have five (5) Senior Deferred Loans and two (2) regular loans in process. That will take care of the rest of the money the HRA has budgeted for the year. We can discuss whether the HRA wants to budget additional funds in the near future.

Action Requested: No action is necessary at this time, discussion item only.
ANOKA Loan Summary Report
Activity for Period 4/1/2020 - 6/30/2020

Application packets requested/mailed: This period: 2 Year-to-Date: 2

Residential Advisor Visits: This period: 0 Year-to-Date: 1

Loans currently in process for residents in your City/Neighborhood: 12

### Closed Loans

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<th>This period:</th>
<th>Year-to-Date:</th>
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<tr>
<td>Deferred-Rental Property</td>
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<tr>
<td>Grant-Mechanical Improvement</td>
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<tr>
<td>Homebuyer Assistance Deferred</td>
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</tr>
<tr>
<td>Homebuyer Rehab Deferred</td>
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<td>0.00 0</td>
</tr>
<tr>
<td>Matching Deferred</td>
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### MHFA CFUF

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### Leveraged Funds

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<th>Year-to-Date:</th>
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<th>% of Total</th>
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<td>Other Interior Improvements</td>
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<tr>
<td>Single Family Residence</td>
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ANOKA Loan Summary Report  
Activity for Period 4/1/2019 - 6/30/2019

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Closed Loans

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<td>Deferred-Rental Property</td>
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<tr>
<td>Grant-Mechanical Improvement</td>
<td>0.00 0</td>
<td>0.00 0</td>
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<tr>
<td>Homebuyer Assistance Deferred</td>
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MHFA CFUF Interest Subsidy

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Leveraged Funds

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Types of Improvements Financed YTD

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<th>Types of Improvements Financed YTD</th>
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<td>Flooring/Carpet/Tile</td>
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<tr>
<td>Other Exterior Improvements</td>
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<td>Plumbing</td>
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Types of Properties Financed YTL

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<td>Single Family Residence</td>
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AGENDA ITEM VII. A.
Memo

To: HRA Board Members

From: Darin Berger, Housing and Redevelopment Manager

Date: July 13th, 2020

Re: Highland Park Townhomes Property Management

On June 15th, the City of Anoka purchased eight (8) townhomes on Euclid Avenue and a home at 2923 Fairoak Ave as part of the larger redevelopment of the Highland Park neighborhood. These property acquisitions were key in order to connect a parkway from the north end of the neighborhood to the south end, while allowing development to occur on the golf course.

Currently, six (6) of the nine (9) units have tenants in them. The City of Anoka is working with a consultant to relocate each of these tenants, but in the meantime, there will be various property management needs.

The City is asking that HRA Staff take on the property manager role until all tenants have been vacated from these properties. Current rental income is $7210.00 per month. The City is proposing to pay HRA staff one third of that amount to cover Staff time, which is $2403.00 per month. This arrangement will continue to be monitored and adjustments will be made as needed.

Action Requested: None at this time. Informational purposes only.
Anoka County, MN

July 8, 2020

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.
AGENDA ITEM VIII. A.
Memo

To: HRA Board Members
From: Darin Berger, Housing and Redevelopment Manager
Date: July 13th, 2020
Re: 1804 First Avenue Infill Update

At our May 11th HRA Board Meeting, the Board approved the sale of the HRA lot at 1804 First Avenue. The buyers offered $60,000 cash and the Board accepted that offer.

The buyer conducted all due diligence they felt necessary over the past couple months. The closing for sale of this home was held today. The Scott’s are now the new owner of this property. They anticipate construction to begin on their home in August.

Staff has included their initial proposal, along with an updated blueprint of the home in your packet for your review.

Action Requested: None at this time. Informational purposes only.
AMENDMENT TO PURCHASE AGREEMENT

This form approved by the Minnesota Association of REALTORS®, which disclaims any liability arising out of use or misuse of this form.

© 2019 Minnesota Association of REALTORS®, Edina, MN

1. Date July 6th, 2020

2. Page _______ of _______ pages

3. The undersigned parties to a Purchase Agreement, dated May 4th, 2020, pertaining to the purchase and sale of the Property at 1804 1st Avenue Anoka MN 55303

4. CITY OF ANOKA LOT 15 BLK 30 CITY OF ANOKA

5. hereby mutually agree to amend said Purchase Agreement as follows:


7. All other terms and conditions to remain same.

31. [Signature]

07/07/2020

32. [Signature]

07/06/2020

33. THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER(S) AND SELLER(S).

34. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

MN-AMD (8/19)
Scott Family Home Proposal for 1804/1808 1st Ave

Link to Plan: https://www.houseplans.com/plan/1617-square-feet-3-bedroom-2-00-bathroom-2-garage-country-colonial-ranch-sp154457
Link to Builder: https://zieglercustomhomes.com    Contact: Dan Berning dberning@zieglercustomhomes.com (612)802-1997
About Our Family & Our Vision for 1804/1808 1st Ave.

As long standing members of the community, we are deeply rooted in Anoka. We take great pride in the historic value of our vibrant downtown and would love the opportunity to revive a small part of it at 1804/1808 1st Ave. Currently residing in Anoka, at 509 School Street, we love the convenience that Anoka has to offer. Sam proudly owns the building at 1918 1st Ave, home to his businesses, Nord Properties and Nordic Home Health Care. In addition, Sam serves on the Parks and Recreation Board for the city of Anoka, and the School Board for Montessori Renaissance where our daughter Ava attends Pre-K, as Treasurer. Crystal is employed by the Anoka Hennepin school district at STEP, just up the road attached to Anoka Technical College working with 10th-12th graders, and Ava currently attends the Montessori Renaissance Academy, and is eager to begin Kindergarten this fall at Lincoln Elementary School. Our family spends a great deal of time attending and supporting the many great festivities hosted in Anoka each year to include the Food Truck Festival, Car Shows, Riverfest, Football games, the Tree Lighting ceremony, Movie nights and Concerts in the park, and most importantly, all of the Halloween activities hosted during the month of October. As a former Anoka Royal Ambassador, Crystal is still actively involved in many of the Ambassadors volunteer ventures with the city and surrounding communities.

We envision building a home that blends seamlessly into the landscape of historic downtown. Rich with character, we will leave no detail to chance. We would like to infuse charm into the exterior and interior finishes of the home by incorporating rich finishes of real wood, brick & stone, and lush landscape. Fruit bearing trees, flower and vegetable gardens, and formal gathering spots for hosting community events are all things that we love, and we hope to bring all of that into the property at 1804/1808 1st Ave. We would very much love to be considered, and approved by the HRA board, to build the attached home and make it a part of the 1st Ave. neighborhood.
BUILDER IS RESPONSIBLE FOR ALL DIMENSIONS AND ROUGH OPENING SIZES FOR HOUSE PLAN. BUILDER IS ALSO HELD TO SUPPLY SPEC'S FOR HEADERS, FLOOR TRUSSES AND ROOF TRUSSES. OWNER & BUILDER ARE FULLY RESPONSIBLE FOR PLUMB.

REAR ELEVATION
SCALE: 1/8"=1'-0"

LEFT ELEVATION
SCALE: 1/8"=1'-0"

RIGHT ELEVATION
SCALE: 1/8"=1'-0"

FRONT ELEVATION
SCALE: 1/4"=1'-0"

* NOTE *
THE FOLLOWING ITEMS MUST BE MET BEFORE AND DURING CONSTRUCTION:
1) ALL FOOTINGS TO BE BELOW FROST LINE
2) ALL MEASUREMENTS ARE FROM OUTSIDE OF SHEATHING

ZIEGLER CUSTOM HOMES, INC.
ELK RIVER, MN (763) 441-2153

REVISION DRAWN BY SHEET OF
NOTE: THE FOLLOWING ITEMS MUST BE MET BEFORE AND DURING CONSTRUCTION:
1) ALL FOOTINGS TO BE BELOW FROST LINE
2) ALL MEASUREMENTS ARE FROM OUTSIDE OF SHEATHING

HOUSE 1,684 S.F.
GARAGE 842 S.F.
PORCH 186 S.F.
DECK 386 S.F.
AGENDA ITEM VIII. B.
Memo

To: HRA Board Members

From: Darin Berger, Housing and Redevelopment Manager

Date: July 13th, 2020

Re: 7th Ave/Main Street Redevelopment Update

In March, the 1.24 acre, HRA owned property at 7th Ave and Main Street was listed by CBRE for $1.5 million. As reported at our March HRA Board Meeting, all avenues of marketing are live and several email blasts have gone out to their email list of 3000. The listing has been posted to various Commercial Real Estate sites and they are all active.

Our Broker, Brian Pankratz has received calls from development groups, companies, residents and adjacent property owners. He has provided me a list of interested buyers in addition to the ones I reported to you last month. See below for more details.

- Hy-Vee – Looking for Fast & Fresh concept (new)
- Davis Group – Medical Office Developer (new)
- Rick Lewdonski – Apartments, possible mixed use (new)
- Caribou Coffee (new)
- Panda Express – With drive-thru (new)
- Dunkin Donuts
- Christian Brothers Automotive
- Dental Office
- PSD, LLC
- Chipotle – New restaurants on hold at this time
- Starbucks – Still reviewing location
- New Horizon Daycare – New locations on hold at this time
- Kindercare – New locations on hold at this time
- ALDI – New locations on hold, probably too close to existing store
- Casey’s General Store – Reviewing information
- Ryan Companies – Medical office developer, site too small
- MSP Commercial – Medical office developer, limited demand with COVID-19
- Car Wash Group – Staff informed Broker the City would not be interested in that use on their site
- Kwik Trip – Site too small for prototype
- Inland Development – Looking at mixed use development with apartments above and ground floor commercial
I have remained in contact with the owners of 1919 7th Avenue. The owners are still interested in selling, but would like to sell their business first. Staff will update the Board if anything changes.

Action Requested: None at this time. Informational purposes only.
AGENDA ITEM VIII. C.
Memo

To: HRA Board Members
From: Darin Berger, Housing and Redevelopment Manager
Date: July 13th, 2020
Re: Rental Conversion Loan – 1627 Ferry Street Update

Recap:
Back in 2018, the City of Anoka HRA Board directed Staff and the Center for Energy and Environment (CEE) to create a Rental Conversion Loan Program in order to try and reduce the number of rental units in Anoka. This well intended program is not for everyone, but we have found an interested party that was looking for some help to convert their 1890 duplex into a single-family, owner-occupied home. CEE approved the loans at the end of February.

The Cords are taking advantage of both the Rental Conversion Deferred Loan Program and the Rental Conversion Program for a total loan amount of $100,000. The $50,000 loan from the deferred loan program requires a 1:1 match and they are using the Rental Conversion Loan as their match. Staff has worked with CEE to verify and approve this portion of the match. They are also contributing $50,000 of their own savings funds towards the project.

The conversion of the duplex will entail a wide range of work. One component will be to convert the heating system from two boilers (one for each unit), down to one forced air system for the entire house, split into three zones in order to allow for a more energy efficient heating system. They will begin by addressing zone 1 with these grant funds, removing one boiler and the registers for that boiler. In addition to that, they currently have an interior stairway and coinciding doors that will be removed and an interior separate entrance to the upstairs unit that will be opened up to the rest of the house. They plan to also remove the upstairs kitchen and convert it to their laundry room, which is currently in the basement.

Other remodeling taking place with this project includes framing, electrical, plumbing and mechanical upgrades, drywall, paint, flooring and insulation amongst other things. Exterior work is planned outside the Rental Conversion Program scope of work. The owners intend to make further exterior improvements on their own this summer.

Update:
Since passing electrical, plumbing and framing/insulation inspections, the Cords have been working diligently on their rental conversion project. Construction of all cabinets
is almost complete. They are currently finishing up the cabinetry for the butlers pantry. Installation of all cabinets will occur this week. Their initial deadline for the project was July 2nd, but they have requested an extension from CEE. Changing HVAC contractors has set them back a bit. In order to do so, they had to resubmit a bid to CEE for approval. By the time that was approved the contractor had become very busy with malfunctioning AC units during this hot stretch of weather. This has caused a bit of a scheduling issue but they will begin that portion of the project in the next couple of weeks. Ordering and fitting countertops begins this week, as well as finalizing trim.

See enclosed pictures of cabinets.

Action Requested: None at this time. Informational purposes only.
AGENDA ITEM VIII. D.
To: HRA Board Members

From: Darin Berger, Housing and Redevelopment Manager

Date: July 13th, 2020

Re: City of Anoka COVID-19 Small Business Revolving Loan Program Update

At the May 4th, 2020 Regular Meeting, the City Council approved the COVID-19 Small Business Revolving Loan Program and a $250,000 budget. Funding will come from the Urban Redevelopment Fund, historically used for SAC and WAC loans for small businesses.

Thus far, there has been one application received. Staff is continuing to wait on supporting documentation from their accountant before processing further.

Below is a recap of the program

- **Maximum Loan Amount:** $4000.00 to cover up to 2-3 months of essential operating expenses
- **Interest Rate:** 5%
- **Maximum Loan Term:** Payments will be deferred for 12 months. Interest from the 1 year of deferment will be spread over the remaining 3 years of the 4 year maximum loan term

Loan recipients must meet the following criteria:

- At least 2 and no more than 25 full-time equivalent (FTE) employees (40-hour/week employee counts as 1 FTE. A 10-hour/week employee counts as 0.25 FTE, etc.)
- Annual gross revenue in 2019 of $1,000,000 or less
- 2020 revenues in decline due to COVID-19
- Located in a commercial zoning district in the City of Anoka
- Physical “brick and mortar” business

In addition, businesses must:

- Be a conforming or legally nonconforming use under the current zoning regulations of the city
- Not be in violation of the city’s zoning code
- Not have any delinquent taxes, bills or charges due to the City
Application processing, closings and disbursement of funds will be handled by the City of Anoka Staff. The Center for Energy and Environment will handle all servicing of these loans throughout the term of the loan.

Action Requested: None at this time. Informational purposes only.
CLOSED SESSION ITEM A.