



**Meeting of the Housing and
Redevelopment Authority
Held at the Elk River City Hall
Monday, November 4, 2024**

Members Present: Commissioner Dennis Chuba, Commissioner Nate Oval, Commissioner Lynn Caswell, Commissioner Mel Beaudry, and Commissioner Jennifer Wagner

Members Absent: None

Staff Present: Economic Development Director Brent O'Neil, Economic Development Specialist Joshua Mollan, and Recording Secretary Jennifer Green

I. CALL MEETING TO ORDER

Pursuant to due call and notice thereof, the meeting was called to order at 5:30 p.m.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

3. CONSIDER AGENDA

Moved by Commissioner Oval and seconded by Commissioner Beaudry to approve the agenda. Motion Carried 5-0.

4. CONSENT AGENDA

Moved by Commissioner Wagner and seconded by Commissioner Oval to approve the following consent items as outlined in their respective staff reports. Motion Carried 5-0.

4.1 Draft HRA Minutes - October 7, 2024

4.2 Check Register

4.3 Balance Sheet

4.4 Revenue/Expenditure Reports

5. OPEN FORUM

No one appeared for Open Forum.

6. GENERAL BUSINESS

6.1 Housing Rehabilitation Loan Program Renewal and Update

Mr. Mollan presented the staff report. He noted one request was received for a septic system but the property was located outside the urban service district.

Moved by Commissioner Caswell and seconded by Commissioner Beaudry to approve, the 2024 loan origination amendment with Minnesota Center for Energy and Environment (CEE).

Motion Carried 5-0.

6.2 Request to Use 724 Main St. (Former Meat Market)

Mr. O'Neil presented the staff report and introduced representatives from the Downtown Elk River Business Association (DERBA), Melanie Clemmons and Deana McLean. They distributed two exhibits outlining their downtown holiday decorating proposal; the first, a request for string lights over the Christmas tree at Rivers Edge Park. The second request for the HRA to consider was to use the property at 724 Main Street for displaying eight Christmas trees (to be sponsored and decorated by a downtown business) and to place a small gazebo on the north end of the plaza to house the large red adirondack chair. The goal was to further enhance the beauty of the downtown and provide some amenities for the public to enjoy while shopping and dining. The proposed agreement in the staff report was standard language similar to the agreement for the summer picnic tables. Ms. Clemmons and Ms. McLean stated if there were questions or issues, they would be the point of contact, along with parks and recreation staff.

The HRA discussed the proposal. Commissioner Oval stated he likes the spirit of the request.

Moved by Commissioner Caswell and seconded by Commissioner Beaudry to approve the Memorandum of Understanding with the Downtown Elk River Business Association (DERBA) allowing the use of the property at 724 Main St during winter. Motion Carried 5-0.

6.3 General Updates

Mr. O'Neil presented the staff report. He stated the closing of Main and Gates properties occurred and earthwork is currently being completed.

Mr. O'Neil stated Commissioner Beaudry volunteered to be HRA representative for the the state aid affordable housing program. He stated he will engage with Commissioner Beaudry and bring back the topic at a future HRA meeting.

Mr. O'Neil anticipated possibly canceling the December HRA meeting due to a lack of agenda items.

Chair Chuba asked what the net proceeds were from the closing. Mr. O'Neil stated the net proceeds were just under \$390,000 and will be outlined in a future financial report.

6.4 Presentation on Draft Sherburne County Housing Study

Mr. O'Neil introduced Brian Fleming, Economic Development Coordinator for Sherburne County. Mr. Fleming presented a relevant analysis of the draft housing study from Maxfield Research and Consulting, and provided conclusions and suggestions. He stated he would bring back to Maxfield any comments or

suggestions from the HRA and will have the final draft available late November or early December. Mr. Fleming presented overall key housing study projects through 2030 for the entirety of Sherburne County:

- A need for 5200 new housing units with 2,205 of those units specific to senior housing.
- County population expected to rise 10%
- 62% of workforce commute out of the county to work
- Senior population will continue to grow by 14%
- Median rent is \$1,053
- Median resale price now \$370k
- Current lot supply is less than two year supply (3-5 year recommended)

Mr. Fleming then presented key points for Elk River city:

- Housing stock: 79% owner, 21% rental (1,396 units for rent - getting more detail on what the study units represent)
- 530 units of senior housing with 268 units for active adults and 221 units requiring enhanced services

Mr. Fleming described the senior housing levels and housing types, from fully independent lifestyle to full/high dependence. He indicated data shows the fixed income seniors 65+ have the highest poverty rate at 9%. After the year 2030 and beyond, what do senior housing needs require based upon current and projected demand? He stated the need for fully dependent housing will grow after 2030. Mr. Fleming then reviewed the total housing projects that are planned/pending in Elk River, with 1312 planned units and 333 approved. Commissioner Caswell asked for more detail regarding this slide; Mr. Fleming stated he will ask Maxfield for more information but thought it was about the number of available units.

Mr. Fleming then discussed Elk River's housing affordability and said that new construction costs are higher than existing housing costs and will continue to trend higher. Housing demand for Elk River is highest county-wide with 498 new homes and 214 multi-family homes projected by 2030.

At 5:59 p.m., Commissioner Wagner, along with Mr. O'Neil and Mr. Mollan, left for a closed EDA meeting.

Mr. Fleming concluded the presentation with the following Elk River recommendations:

- New platted lots are a critical need (only a 2-year supply, with 3-5 year supply recommended)
- Development of entry-level homes may require a private-public partnership or other incentives to stimulate lower-priced new home construction
- Growing need to produce patio-style homes, or one-level and/or ground level main bedroom homes (both single and multi-family housing)
- Strong need for market rate and affordable/subsidized rental housing
- Senior housing (independent living) is a strong need.

Commissioner Caswell asked about the slide with the numbers of senior units that were existing for Elk River, and was surprised at the number of 530. He felt that figure would have been higher.

Mr. Fleming stated he would ask the consultants and get an official answer, but it could mean it is specific to age 55 and above.

Commissioner Beaudry asked Mr. Fleming if there was anything alarming or surprising about the study results.

Mr. Fleming stated nothing surprising or alarming, but rather seeing the data is a more helpful, informative guidance for Sherburne County and Elk River to aid in prioritizing developers. He stated this study will be valuable as it shows what the needs will be. He stated the benefit of building more patio and one-level homes is they provide living options for up and coming seniors to sell their single family style homes for the next younger buyer. This information also supports a more affordable opportunity by purchasing an already built home, which will be cheaper than building a new home according to the data.

Chair Chuba asked about urban service properties versus lots with private wells and septic septs and if the information shows any need versus what should be available.

Mr. Fleming indicated the data shows in rural markets there are less rental properties, and the standard rural lot sizes are 2.5 acres; the suggestion would be to drop those lot sizes to 1 acre to offer more active adult housing in rural areas.

Commissioner Ovall asked about the multi-family housing increase in adjoining cities (Ramsey, Otsego) and if that has an effect on Sherburne County projections.

Mr. Fleming stated that question is a good follow-up question for Maxfield. He stated it seems like this study may have been done in isolation of surrounding cities and will ask if Maxfield considered the surrounding areas in these projections.

7. MOTION TO ADJOURN REGULAR MEETING

Moved by Commissioner Ovall and seconded by Commissioner Caswell to adjourn the meeting. Motion carried 4-0.

The meeting adjourned at 6:10 p.m.

Minutes prepared by Jennifer Green.



Denny Chuba, Chair



Tina Allard, City Clerk