

ORDINANCE NO. 2023-08
AN ORDINANCE APPROVING CHAPTER 35
OF THE EDINA CITY CODE CONCERNING
THE EDINA WEST HOUSING IMPROVEMENT AREA

THE CITY COUNCIL OF EDINA ORDAINS:

Section 1. Chapter 35, Edina West Housing Improvement Area

Section 2. Recitals.

- 2.01. The City is authorized under Minnesota Statutes, Sections 428A.11 to 428A.21, as amended (the “Housing Improvement Act”), to establish by ordinance a housing improvement area within which housing improvements are made or constructed and the costs of such improvements are paid in whole or in part from fees imposed within the area.
- 2.02. The City has determined a need to establish the Edina West Housing Improvement Area as further defined herein (the “Edina West HIA”), in order to facilitate certain improvements to property, all in accordance with the Housing Improvement Act.
- 2.03. The City has consulted with the Edina West Condominium Association (the “Association”) and with residents in the Edina West HIA regarding the establishment of such area and the housing improvements to be constructed and financed under this ordinance.

Section 3. Findings.

- 3.01. The City Council finds that owners of approximately 89.5% of the housing units within the Edina West HIA (which exceeds the requirement for owners of at least 50% of the housing units pursuant to Section 428A.12 of the Housing Improvement Act and the requirement for owners of at least 70% of the housing units pursuant to the City’s policy) have filed a petition with the City Clerk requesting a public hearing regarding establishment of such housing improvement area.
- 3.02. On June 6, 2023, the City Council conducted a public hearing, duly noticed in accordance with the Housing Improvement Act, regarding adoption of this ordinance at which all persons, including owners of property within the Edina West HIA were given an opportunity to be heard.
- 3.03. The City Council finds that, without establishment of the Edina West HIA, the Housing Improvements (as hereinafter defined) could not be made by the Association or the housing unit owners.
- 3.04. The City Council further finds that designation of the Edina West HIA is needed to maintain and preserve the housing units within such area.
- 3.05. The City will be the implementing entity for the Edina West HIA and the Housing Improvement Fee (as defined in Section 5 below).
- 3.06. For the purpose of providing full disclosure of public expenditures and financing arrangements for the Edina West HIA (as required under Section 428A.13, subd. 1a (1) of the Housing Improvement Act), the City Council determines that the City expects to finance the Housing Improvements with available funds of the City which will be reimbursed by a housing improvement fee imposed on unit owners within the Edina West HIA.
- 3.07. In accordance with Section 428A.13, subd. 1a (2) of the Housing Improvement Act, the City Council determines that the Association will contract for construction of the Housing Improvements.

Section 4. Housing Improvement Area Defined.

- 4.01. The Edina West HIA is hereby defined as the area of the City including the property addresses listed in **Exhibit A** hereto.
- 4.02. The Edina West HIA contains 162 housing units as of the date of adoption of this ordinance, along with common areas.

Section 5. Housing Improvements Defined.

- 5.01. For the purposes of this ordinance and the Edina West HIA, the term “Housing Improvements” shall mean the general renovation of the buildings and the site of the Association, including but not limited to improvements to the building exteriors; improvements to garages and tunnel; site and driveway improvements and water mitigation; improvements to common areas and the swimming pool, and mechanical system, plumbing, and electrical improvements and upgrades.
- 5.02. Housing Improvements shall also be deemed to include:
- (a) all costs of architectural and engineering services, overhead, and all similar soft costs in connection with the activities described in Section 4.01 hereof, including without limitation costs of a professional construction manager.
 - (b) all administration, legal and consultant costs in connection with the Edina West HIA; and
 - (c) costs of financing the Housing Improvements under the Housing Improvement Act.

Section 6. Housing Improvement Fee.

- 6.01. The CITY may, by resolution adopted in accordance with the petition (the “Fee Resolution”), hearing and notice procedures required under the Housing Improvement Act, impose a fee on the housing units within the Edina West HIA, at a rate, term or amount sufficient to produce revenues required to provide the Housing Improvements (the “Housing Improvement Fee”), subject to the terms and conditions set forth in this Section. The City intends to adopt such a resolution imposing the Housing Improvement Fee on July 18, 2023 (the “Fee Resolution”).
- 6.02. Any Housing Improvement Fee shall be allocated based on the square footage of each housing unit in the HIA. The total Housing Improvement Fee is as follows:

Size (Square Feet)	Amount
972	\$21,428
1026	22,618
1360	29,982
1598	35,228
1750	38,579
1928	42,503

- 6.03. Any Housing Improvement Fee shall be prepayable in full, at any time after the effective date of the Fee Resolution.
- 6.04. If not prepaid, the Housing Improvement Fee shall be imposed and payable for a period no greater than 20 years, the first of the installments to be payable in calendar year 2024. The estimated annual fee imposed on each housing unit is as follows:

Size (Square Feet)	Amount
972	\$1,071
1026	1,131
1360	1,499
1598	1,761
1750	1,929
1928	2,125

6.05. The Fee Resolution provides that no interest accrues on the Housing Improvement Fees.

6.06. The Housing Improvement Fee shall be collected at the same time and in the same manner as provided for payment and collection of ad valorem taxes, in accordance with Section 428A.15 of the Housing Improvement Act and Minnesota Statutes, Section 428A.05. As set forth in Section 428A. 14, subd. 2 of the Housing Improvement Act, the Housing Improvement Fee is not included in the calculation of levies or limits on levies imposed under any law or charter.

6.07. The Housing Improvement Fee shall not exceed the amount specified in the notice of public hearing regarding the approval of such fee; provided, however, that the Housing Improvement Fee may be reduced after approval of the Fee Resolution, in the manner specified in such resolution.

Section 7. Annual Reports.

7.01. On August 15, 2023 and each August 15 thereafter until the Housing Improvement Fee and all interest thereon is paid in full and all Housing Improvement Fee revenues have been expended, the Association (and any successor in interest) shall be required to submit to the City, as the implementing entity, a copy of the Association's audited financial statements.

7.02. The Association (and any successor in interest) shall also submit to the City any other reports or information at the times and as required by any contract entered into between that entity and the City.

Section 8. Notice of Right to File Objections.

8.01. Within 5 days after the adoption of this ordinance, the City Clerk is authorized and directed to mail to the owner of each housing unit in the Edina West HIA: (a) a summary of this ordinance; (b) notice that owners subject to the proposed Housing Improvement Fee have a right to veto this ordinance if owners of at least 45% of the housing units within the Edina West HIA file an objection with the City Clerk before the effective date of this ordinance; and (c) notice that a copy of this ordinance is on file with the City Clerk for public inspection.

Section 9. Amendment.

9.01. This ordinance may be amended by the City Council upon compliance with the public hearing and notice requirements set forth in Section 428A.13 of the Housing Improvement Act.

Section 10. Effective Date.

10.01. This ordinance shall be effective 45 days after adoption hereof, or on the date of publication of this ordinance, whichever is later, subject to the veto rights of housing unit owners under Section 428A.18 of the Housing Improvement Act.

First Reading: June 20, 2023

Second Reading: July 18, 2023

Published:

Attest

Sharon Allison, City Clerk

James B. Hovland, Mayor

Please publish in the Edina Sun Current on
Send one affidavit of publication
Bill to Edina City Clerk

EXHIBIT A
Edina West HIA Property Addresses

6075 Lincoln Drive
6085 Lincoln Drive
6105 Lincoln Drive
6115 Lincoln Drive

