



Tuesday, February 19, 2019
7:00 pm

City Hall – Council Chambers
5200 - 85th Ave North

**THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK
REGULAR MEETING – AGENDA #2**

**President Jeffrey Lunde, Vice President Lisa Jacobson & Treasurer Wynfred Russell
Commissioners Mark Mata, Terry Parks, Susan Pha & Tonja West-Hafner, Executive Director Kim
Berggren, Assistant Executive Director Jay Stroebel & Secretary Theresa Freund**

If due to a disability, you need auxiliary aids or services during an EDA Meeting, please provide the City with 72 hour notice by calling 763-493-8012 or FAX 763-493-8391.

Our Mission: Brooklyn Park, a thriving community inspiring pride where opportunities exist for all.

Our Goals:

*Strong Neighborhoods • Adapting to Changing Demographics • Public Safety
Financial Sustainability • Community Image • Focused Redevelopment and Development*

I. ORGANIZATIONAL BUSINESS

1. CALL TO ORDER/ROLL CALL

2. PUBLIC COMMENT AND RESPONSE

This provides an opportunity for the public to address the EDA on items, which are not on the agenda. Open Forum will be limited to 15 minutes (if no one is in attendance for the Open Forum, the Regular Meeting may begin) and it may not be used to make personal attacks, to air personality grievances, to make political endorsements or for political campaign purposes. Commissioners will not enter into a dialogue with citizens. Questions from the EDA will be for clarification only. Open Forum will not be used as a time for problem solving or reacting to the comments made but, rather, for hearing the citizen for informational purposes only.

2A. RESPONSE TO PRIOR PUBLIC COMMENT

2B. PUBLIC COMMENT

3. APPROVAL OF AGENDA

II. STATUTORY BUSINESS AND/OR POLICY IMPLEMENTATION

4. CONSENT

4.1 Consider Approving Meeting Minutes

4.1A April 16, 2018 Meeting Minutes

4.1B October 15, 2018 Meeting Minutes

4.1C November 19, 2018 Meeting Minutes

4.1D December 17, 2018 Meeting Minutes

The following items relate to the EDA's long-range policy-making responsibilities and are handled individually for appropriate debate and deliberation. (Those persons wishing to speak to any of the items listed in this section should fill out a speaker's form and give it to the Secretary. Staff will present each item, following in which audience input is invited. Discussion will then be closed to the public and directed to the EDA table for action.)

5. Public Hearings

5.1 None.

6. General Action Items

6.1 Consider Approving a Resolution Authorizing the Use of Tax Increment Financing (TIF#3) Funds for the Payment of Non-Reimbursable Expenses for the Highway 169 and 101st Interchange Project

6.1A Resolution

III. DISCUSSION - These items will be discussion items but the EDA may act upon them during the course of the meeting.

7. Discussion Items

7.1 Status Update

IV. WORK SESSION

8. Work Session

8.1 Discuss Purchase of Parcels Related to the Acquisition of Right-of-Way for the 101st and 169 Interchange

8.2 Brooklyn Park Homeowner Programs Overview

8.3 Housing Policies, Programs and Strategies Update Overview

V. ADJOURNMENT

Since we do not have time to discuss every point presented, it may seem that decisions are preconceived. However, background information is provided for the EDA on each agenda item in advance from City staff; and decisions are based on this information and past experiences. If you are aware of information that has not been discussed, please raise your hand to be recognized. Please speak from the podium. Comments that are pertinent are appreciated. Items requiring excessive time may be continued to another meeting.

City of Brooklyn Park Request for EDA Action

Agenda Item No:	4.1	Meeting Date:	February 19, 2019
Agenda Section:	Consent	Prepared By:	Theresa Freund, EDA Secretary
Resolution:	N/A	Presented By:	Theresa Freund, EDA Secretary
No. of Attachments:	4		
Item:	Consider Approving EDA Meeting Minutes		

Executive Director's Proposed Action:

MOTION _____, SECOND _____ TO APPROVE THE APRIL 16, 2018, OCTOBER 15, 2018, NOVEMBER 19, 2018 AND DECEMBER 17, 2018 MEETING MINUTES.

Overview:

N/A

Primary Issues/Alternatives to Consider:

N/A

Budgetary/Fiscal Issues:

N/A

Attachments:

- 4.1A APRIL 16, 2018 MEETING MINUTES
- 4.1B OCTOBER 15, 2018 MEETING MINUTES
- 4.1C NOVEMBER 19, 2018 MEETING MINUTES
- 4.1D DECEMBER 17, 2018 MEETING MINUTES

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK
APRIL 16, 2018 REGULAR MEETING MINUTES

I. ORGANIZATIONAL BUSINESS:

1. CALL TO ORDER: President Jeffrey Lunde at 7:00 p.m.

ROLL CALL PRESENT: President Jeffrey Lunde, Vice President Rich Gates and Treasurer Lisa Jacobson, Commissioners Bob Mata, Mark Mata, Terry Parks and Susan Pha, Executive Director Kim Berggren and Secretary Theresa Freund.
ABSENT/EXCUSED: None.

2. PUBLIC COMMENT AND RESPONSE:

2. A Response to Prior Public Comment: None.

2. B Public Comment: None.

3. APPROVAL OF AGENDA

MOTION RICH GATES, SECOND TERRY PARKS APPROVING THE AGENDA AS PRESENTED. MOTION PASSED UNANIMOUSLY.

II. STATUTORY BUSINESS:

4. CONSENT:

- 4.1 Consider Approving EDA Meeting Minutes.

MOTION RICH GATES, SECOND TERRY PARKS TO APPROVE THE OCTOBER 16, 2017 AND MARCH 19, 2018 EDA MEETING MINUTES. MOTION PASSED UNANIMOUSLY.

5. PUBLIC HEARINGS:

- 5.1 None.

6. GENERAL ACTION ITEMS:

- 6.1 Consider Authorizing Submittal of a Grant Application and Execution of an Agreement with the Metropolitan Council to the Livable Communities Demonstration Account for Grant Funding for a Project at 7621 Brooklyn Boulevard.

MOTION LISA JACOBSON, SECOND RICH GATES TO WAIVE THE READING AND ADOPT RESOLUTION #2018-9 AUTHORIZING SUBMITTAL OF A GRANT APPLICATION AND EXECUTION OF AN AGREEMENT WITH THE METROPOLITAN COUNCIL TO THE LIVABLE COMMUNITIES DEMONSTRATION ACCOUNT FOR GRANT FUNDING FOR A PROJECT AT 7621 BROOKLYN BOULEVARD. MOTION PASSED UNANIMOUSLY.

- 6.2 Consider Approving a Contract for Agricultural Lease between the Brooklyn Park Economic Development Authority and Bill Brooks.

MOTION MARK MATA, SECOND LISA JACOBSON TO WAIVE THE READING AND ADOPT RESOLUTION #2018-10 APPROVING A CONTRACT FOR AGRICULTURAL LEASE BETWEEN THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY AND BILL BROOKS. MOTION PASSED UNANIMOUSLY.

III. DISCUSSION:

- 7.1 Business Forward Advisory Board Annual Presentation – Project Facilitator Daniela Lorenz introduced Ben Dossman, a member of the Board and one of the owners of Fat Chance Restaurant.

Ben Dossman reported he wanted to go through some of the items the Board has been working on and provide some history. In 2012 the Board hosted cafes to get some feedback from business owners. What he liked the most about it was that all types and sizes of businesses were represented, it wasn't the biggest players in the room and everyone else's voice got drowned out. Everyone had a seat at the table and it was greatly appreciated from my own personal experience and from other business owners as well.

The Board is still in the process of looking at some of the recommendations that have come across the table to us. Council Member Lisa Jacobson is part of the board and is familiar with the things we are working on. He is excited about the opportunities that are coming down the road and will increase Brooklyn Park's visibility.

He stated he is biased because he is in the restaurant business, but he would like to see more restaurants come to the city which may sound odd that he is asking for competition. The more restaurants and breweries that come to the city the more folks will keep their dollars in Brooklyn Park and that is ultimately what we want.

Some of the task force recommendations:

- Incorporate voice of businesses going forward.
- Enhance image and marketing of Brooklyn Park. They have been working on videos, providing information online and they are still in the process of pulling those things together. There are several members on the board that are working on this as well as other businesses giving feedback as well. It is ultimately an avenue to attract more businesses and let them know that the city is welcoming to all businesses.
- There was a study that was done that asked us to gauge where we are at on various measures like our application fees. We seem to be on par with most other cities. Some fees we are a little bit more and some we are a little less. For the most part, we are right on course.

The Board's purpose and function is to bring those voices and ideas to the table. The city had requested that businesses be at the table with their expert opinions and valuable ideas as that wasn't necessarily the city's strongpoint.

Ben Dossman replied that he could only speak for himself but what would have been beneficial for him when he started a business. The city was extremely helpful. He would like to have met with a group of business owners that had gone down this road before him and talk about some of the challenges. You don't know what you are getting yourself into because each city is different and they have different expectations so a resource like that would have been helpful.

Daniela Lorenz explained that the Board is really focused on policy based issues. Businesses when they come to the city can talk to the Business Development Coordinator, Economic Development and Housing Director, Planning Director and Executive Director. Staff hears problems and that is why this year the Board is responding to any business issues. That was one of the purposes for reviewing licensing and fee schedules as well. The Board is not here to make those final calls for development purposes. One of the goals particularly the last couple of years and recommendations for the Task Force is to answer the questions and get feedback from businesses to see if the city can be doing something better.

Commissioner Mark Mata stated he would like to find a way to facilitate that.

Kim Berggren stated she hasn't heard anything in recent years but certainly if commissioners are hearing we are not, please bring it to our attention so that staff can address it. The Business Forward Advisory Board has been very helpful in having us think through some of policy work and procedures in that manner to make sure we are business friendly.

Commissioner Bob Mata asked if the Business Forward Advisory Board comes forward with some of the problems that businesses are having and says we need to make some changes in ordinances, how do we deal with changes? He would love to see the board come forward to the EDA or City Council and seek changes if we are being hard on businesses. He believes this is being implemented.

Kim Berggren responded that from her experience the first meetings of the Board were oriented towards things that needed to be tweaked and those changes were made. One of the purposes of the annual Business Forward Advisory Board event is to discuss if businesses are having problems. She asked commissioners that if they are hearing things, please bring it to our attention.

Commissioner Lisa Jacobson stated that she is the liaison from the Council to this group for the past three years. She thanked the Board for bringing ideas forward because you live it every day as business owners in our city and we can think all we want to about own a business but until we do it we really don't know. She appreciates all the things you bring forward and I am excited that you have been meeting at different businesses, which gets us out of our comfort zone sometimes.

President Jeff Lunde stated he would like to thank past and current members as well. I do remember the meeting where we were talking about incentives to get businesses to come here. One of our long-term businesses said why not keep the ones we have. We ended up changing the policy to say recruitment and retention because they were talking about looking at expanding and everything was centered around bringing in new. The Business Forward Advisory Board totally said this policy should not only apply to new businesses but also to businesses here. I want to thank the efforts of the Board and being available to provide feedback.

7.2 Status Update - Kim Berggren highlighted the following:

- We did receive commitment from the Shingle Creek Watershed Commission for \$50,000 towards the Metro Blooms Landscaping Project that is underway at Autumn Ridge Apartments. This is something that the EDA can feel good about is this new model of trying to work collaboratively with the organizations locally as well as the tenants to advance some improvements at the site along with the owner of the complex.
- Staff has been coordinating Home Stretch Workshops with Community Action Partnership of Hennepin County. On April 6, a course was held in Spanish. There will be one hosted in Hmong on July 14. This is a new initiative that was asked for by the community.
- BrookLynk has been active this spring. They hosted their annual pre-employment training and had over 250 young people attend. BrookLynk hosted its annual mock interview event with about 300 students taking part. The second annual job fair was attended by nearly 300 students and 30 employers.

President Jeff Lunde asked are we reaching out to the construction trades? I have had a couple of conversations with union officials, we have a training center for pipefitters and they are facing challenges in getting people interested in trades. Erik Hansen responded when it comes to some of those professions, especially if it can be perceived as dangerous, we run into some child labor law issues. The Department of Labor and Industry is working around, specially manufacturing and those building trades, to see what within those laws we can do to have internship opportunities. We are still working on it.

President Jeff Lunde stated that they have some programs and they are trying to target ages 16 and 17 that have not left high school. They know that a career can be decided before that age. Some teenagers don't realize that a career doesn't always involve college and they have some programs that can safely introduce them to those trades.

Commissioner Terry Parks stated the status update shows the Noble Park & Ride is zoned for a Public Institution. How much land is there roughly? Kim Berggren responded that it is approximately eight acres. It is zoned Public Institution because it had been used as a park and ride. Previously the cost exceeded what any buyer was wanting to pay. The reason it was added to the update was because staff is hearing more interest in the site since the minimum bid has been reduced. The Council will probably become engaged due to the zoning and may want to discuss a strategy to advance that conversation.

Commissioner Terry Parks asked if the city had an interest in purchasing the land and has there been any discussion? Kim Berggren responded that she has not heard any direction about exploring acquisition for a particular use. The EDA always has the option to be proactive in a situation like this if commissioners see a reduced price and want to control the designation of the site. It is the purvey of the EDA to make an offer. If that is something you would like us to explore, we can do some homework and bring it back to you. Commissioner Terry Parks stated he was just asking for information on the site since it was listed in the update.

- 7.3 Metro Blue Line Extension (Bottineau LRT) Update – Jen Jordan reported
- Station Area Planning implementation: A joint Planning Commission and City Council work session is planned for Wednesday, April 18th from 6:00 pm to 8:00 pm to delving a little deeper into the draft ordinances for our station areas.
 - Placemaking activities that are going to happen at Brooklyn Boulevard this summer: We have partnered with Hennepin County, some community based organizations, Cub Foods and the owner of the Starlite Shopping Center to work on a three-month pedestrian demonstration project. This would put a protective walkway through the current parking lot up to Cub Foods front door. This would have delineators on it so that the carts can't cross the path of it. It is a three-month demonstration project to see if it works and if it does work, Cub Foods might invest in putting some greater pedestrian amenities through their parking lot. The kickoff event is scheduled for Thursday, June 21st from 5:00 to 7:00 pm in the parking lot. There will be activities, arts and food.
 - Connect Blue Line Now! Coalition activities: Recently hosted a visit by Congressman Tom Emmer at Design Ready Controls on April 6th. Mayor Jeff Lunde talked at length with US Congressman Tom Emmer about job issues for the area, the importance of the line for the businesses there and how they are anxiously waiting for it because it is part of their recruitment strategy for younger talent.
 - Mayor/EDA President Jeff Lunde traveled to Washington, D.C. to meet with FTA officials to talk about the Metro Blue Line Extension project. This was a successful trip.

Mayor/EDA President Jeff Lunde stated he would give a full report at the Council meeting next week. The meeting was very successful. He met with US Congressman Emmer. We are working with two US Congressman and two US Senators on setting up visits and tours. We are also trying to set up a visit with Secretary of Transportation Elaine Chao and the tour most likely will include the I-94 Corridor and go over all the projects.

Mayor/EDA President Jeff Lunde stated Commissioner Rich Gates attended the Corridor Management Committee meeting on April 12th. At this meeting, they made public the information that Burlington Northern is negotiating with the Met Council on different aspects on engineering and safety. Commissioner Rich Gates stated that at the meeting they said that Burlington Northern is looking at the 90% Plans.

President Jeff Lunde recessed the EDA Meeting at 7:50 pm for Commissioners to move to the Steve Lampi Conference Room for the Work Session portion of the meeting.

IV. WORK SESSION - The EDA was reconvened at 7:55 pm. This portion of the meeting was neither televised nor videotaped.

8.1 Discussion on a Development Opportunity at 67th Avenue North and West Broadway. A development group approached the EDA for assistance to defray costs associated with assembly and development of a commercial/industrial development at 67th Avenue North and West Broadway in the Sunny Lane neighborhood. The developer wants to pursue the development of 130,000 square foot commercial industrial building at the site with EDA assistance. The EDA discussed the proposal and the next possible next steps.

V. ADJOURNMENT

Meeting adjourned at 8:20 p.m. from the Brooklyn Township Conference Room.

Respectfully Submitted
EDA Secretary Theresa Freund

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK
OCTOBER 15, 2018 SPECIAL MEETING MINUTES

I. ORGANIZATIONAL BUSINESS:

1. CALL TO ORDER: President Jeffrey Lunde at 7:00 p.m.

ROLL CALL PRESENT: President Jeffrey Lunde and Treasurer Lisa Jacobson, Commissioners Bob Mata, Mark Mata (6:08 p.m.), Terry Parks and Susan Pha, Executive Director Kim Berggren and Secretary Theresa Freund.
ABSENT/EXCUSED: Vice President Rich Gates.

2. PUBLIC COMMENT AND RESPONSE:

2. A Response to Prior Public Comment: None.

2. B Public Comment: None.

3. APPROVAL OF AGENDA

MOTION LISA JACOBSON, SECOND TERRY PARKS APPROVING THE AGENDA AS PRESENTED. MOTION PASSED UNANIMOUSLY.

II. STATUTORY BUSINESS:

4. CONSENT:

- 4.1 Consider Approving EDA Meeting Minutes.

MOTION LISA JACOBSON, SECOND TERRY PARKS TO APPROVE THE AUGUST 20, 2018 AND OCTOBER 1, 2018 EDA MEETING MINUTES. MOTION PASSED UNANIMOUSLY.

- 4.2 Consider Continuing Legal Counsel with Kennedy & Graven through year end 2019.

MOTION LISA JACOBSON, SECOND TERRY PARKS CONTINUING LEGAL COUNSEL WITH KENNEDY & GRAVEN THROUGH YEAR END 2019. MOTION PASSED UNANIMOUSLY.

- 4.3 Consider Continuing Financial Advisor Services with Ehlers & Associates through year end 2019.

MOTION LISA JACOBSON, SECOND TERRY PARKS CONTINUING FINANCIAL ADVISORY SERVICES WITH EHLERS AND ASSOCIATES THROUGH YEAR END 2019. MOTION PASSED UNANIMOUSLY.

5. PUBLIC HEARINGS:

5.1 None.

6. GENERAL ACTION ITEMS:

6.1 None.

III. DISCUSSION:

- 7.1 2019 EDA Budget Introduction by Kim Berggren – staff typically introduces the budget to the EDA in October and then brings a full budget for review and approval in November. That budget then is forwarded to the City Council for approval in December. There are several opportunities for adjustments throughout the entire process. This is the second year of a two-year cycle, typically more changes are made in the first year.

What is slightly different this year for 2019 is the City Council has already made the adjustment to the HRA's levy. The preliminary 2019 EDA and HRA levies that came before the EDA in August totaled \$2.5 million. Now the proposed HRA levy has been reduced by about \$500,000. Historically the EDA has approved the levies at the full amount at this meeting and then later reduced by the City Council.

Other sources of funds for the EDA include: developer fees and charges for services; grants (we try to find other sources of money when we can to help support the community); and interest income from loans and investments.

The EDA's spending falls into five main categories that are outlined here:

1. We do use a significant portion of EDA's funds to support staffing that do the project work on behalf of the EDA;
2. Some development costs;
3. Neighborhood and housing preservation work;
4. Direct development costs; and
5. We maintain a healthy reserve so that we can take advantage of strategic opportunities as they arise.

New initiatives that are proposed in 2019, most we have already talked about:

1. The EDA is aware of the Clubhouse reinvestment strategy for 2019. You have approved a contract with D'Amico Catering in accordance of that strategy.
2. Utility burial on Brooklyn Boulevard has been recently directed by the EDA to proceed.
3. Transportation projects are a big deal for the EDA in 2019. We are working on the 101st and Highway 169 interchange and some of the preliminary planning on Highway 252 conversion.
4. There is also money set aside in 2019 to expand the Business Forward Business Toolkit. This will be a new strategic initiative for 2019.

This does not limit the EDA from taking on other strategic initiatives. These are just the ones that we know about and have been talking about. If the EDA wants to take on additional work in 2019, what we would typically do is then come in with a budget amendment to provide funds for those projects and initiatives.

Ongoing initiatives that we have been doing for the past several years are listed and we are proposing to continue funding. We continue to work on the Center for Innovation and Arts in Brooklyn Park. We do not have an allocation for 2019 in the budget yet. We will be having additional conversations about that project with the EDA.

We do seek out grant funds when we can and a big part of the work of the Economic Development Authority has been applying for, receiving and managing grants. We have worked with a lot of agencies over time and in recent history we have worked in partnership with the Engineering Division to solicit and obtain funding for the interchange.

In summary, the budget process is being initiated by tonight's action. More detailed information will be given in November along with all the schedules related to the different TIF funds. A lot of that is customary and the spending out of the TIF Districts is pre-established. Highlighted are some of the additional spending we will be doing out of TIF Districts in commissioners' report. Particularly TIF District #3 which has some development cash available and some of the transportation funding will come from that district instead of the EDA's general fund.

Commissioner Mark Mata stated thank you for bringing a reduction in the budget proposal. Regarding the staffing area, I have no problem replacing the Director position. Regarding the other two positions by not having them currently filled and waiting for the Director to be hired to fill those positions what are we losing? Executive Director Kim Berggren responded certainly the project work is proceeding at a slower pace now because of the reduction in staff we are currently operating with. The ability of the EDA to get work done is dependent upon having staff in those project positions. It has been the situation where the EDA has ramped up and scaled back at different points of time. Today we are keeping the projects that have been going, going but there are some opportunities that we are not able to take advantage of right now because of the staffing shortage.

Commissioner Mark Mata stated that we have two positions that are vacant right now. When the new Economic Development & Housing Director comes I expect the position to be a working director, not someone who sits back and is a goalie. That is the same for every director as I watch management of the city. The city relies on tax dollars. I would like to see those positions remain unstaffed and the reason I say that is because when we get presented with the budget people are the largest expense we have and it keeps going up. We have found no ability to have more staff working for the city and then have a reduction in the budget because it is people that are the cost driver for the city. We also have the light rail project that has slowed down here and we have people that were hired full time to monitor that project. We probably need to tell the EDA to redirect positions, titles and job descriptions and make this work. We have already been going with these positions empty. If staff sees it as a deterrent that work isn't getting done and we are losing projects, we can always put the position back out there to hire again. Now is an opportunity to cut a vacant position as opposed to cutting a person with a job. This would be a budget cut I would be looking at when this gets presented at the city council level.

Commissioner Mark Mata asked what do we want to do next year. I have been on the commission for almost two years and we have never sat down at work sessions and talked about what I want to do with the EDA and what do other commissioners want to do with the EDA. I think in our work sessions we need to have more discussions so that we can figure out how to fund projects that we all ran to do here. It's seems all the projects being presented happen to be newer projects i.e. a bridge I wasn't aware of or a golf course, would we have done that even if the previous vendor took over. All of those are costs that should have already been here. What are we doing about the other areas of Brooklyn Park that needs redevelopment. That is really what the EDA should be doing, not building new stuff. We have developers that will do that. The EDA needs to fund projects in the more dilapidated parts of Brooklyn Park that are not redeveloping on their own. Those are things I want to talk about. There are two new council members that were elected with me. I don't know what their intent is. I would like to have a project brought forward that we all want to do on the southern part of the city and that is a piece that I think the EDA misses here. We just grab the resources to develop other areas of the city and we don't use them as a funding source to fix the problems.

Commissioner Lisa Jacobson stated that as far as staffing goes, I did have a conversation with Kim Berggren and City Manager Jay Stroebel around the position that currently plans for the LRT. Kim Berggren told me that the position would be working on other projects while we have these other positions empty. I don't necessarily agree that this is the time to cut positions when our community is continuing to develop and redevelop potentially with the LRT coming or not. Things are going to happen and once you lose that FTE it is more difficult to get it back because you have lived without it. I think in some cases that it would make sense to do away and reduce the budget. However, I do not agree doing that in this case and would not support you eliminating those positions but rather waiting until the right people present themselves for those roles. We have a lot of work to do and I don't want to miss an opportunity because we are short of staff.

Commissioner Susan Pha stated I see you have listed on the first page \$25,000 for Greater MSP, the regionally economic development organization. We are considering whether to continue funding them. Can you tell me why? Kim Berggren replied we welcome input from the board on that question. It has been a question we have had since Greater MSP came in existence. When they first became an entity, we were not funding them and then we chose to partially fund them. They do requests for funding based on the city's size and the \$25,000 is their request they made to us. We have funded them now for the past few years in full. I think it is just asking the question what is the return on investment that the EDA has made in that group. Certainly, there is a lot of value in having a regional entity that is doing marketing of the region and I think they do a lot of important work. It is just coming down to whether the EDA has an interest of continuing to fund them. If commissioners have views on that, I would love to hear them. We can have some additional conversations this fall to decide. Once we make that pledge to them we would be committed but we have not made that pledge yet for 2019.

Commissioner Susan Pha asked Kim Berggren what are some of the benefits you have seen? Kim Berggren responded that one of their greatest strengths is that they do national and international marketing of the region. There is a place for companies that are looking to locate in our region to go to them as first point of contact where we know they will be treated well and routed in the right direction. We do get referrals through Greater MSP. We have had them come out and talk to commissioners in the past about what they provide.

Commissioner Susan Pha asked can we fund them at a lower level does it have to be \$25,000? Kim Berggren responded that is a good question and we have asked that question in the past and they have been consistent that they would like to see us funding at the \$25,000 level that they established. One year we did choose to fund at a half level but that was more at a transitional period. We would have to see how they would treat that request. They do market who their funders are and I am sure they would have some reservations about including Brooklyn Park if we are not fully active member. Commissioner Susan Pha stated that \$25,000 is a lot of money and I just question whether we are getting \$25,000 worth. I know they do important work and we want to be part of that but is there something in between? As we think about the budget and where we can cut I think this is one area where we may consider cutting or reducing.

Commissioner Susan Pha reported that another one I am thinking about is the branding initiative where there is \$50,000. It says that \$20,000 is to be contributed towards the budget for the temporary plaza. Is that \$50,000 of our own EDA money? Kim Berggren responded that the \$50,000 has been in the budget for the past several years as a placeholder around doing some branding work. In 2019, we have yet to determine what that strategic branding initiative will be. The EDA previously chose to support the city hall sign and that line item was where the funding came from. There is not an action plan associated with that line item at this point of time. It would have to be something the EDA would approve going forward. We do some small branding efforts came from that line item that staff has the flexibility to authorize. In terms of a big strategic initiative that would be something the EDA would direct us to do in 2019.

Commissioner Susan Pha stated that I am all for branding initiatives but I'm not sure if we need \$50,000 for branding initiatives. I think that by doing a good job and providing good service that that is branding us. We are branding ourselves as a city that can provide those services to our businesses and residents. So, when I think about certain things it will have to be in the details what we spend that money on. I would be very careful what we spend and making sure that it makes an impact for the dollar amount.

Commissioner Susan Pha added another thing that I would like to bring up is the \$55,000 for the BrookLynk Program. I am a big supporter for the BrookLynk Program because that is youth internship jobs here at the city. I know that we get a lot more than that from our business partners when it comes to their contribution to this program. I would like us to increase our budget for that program so that we can offer more internships for young people in our city. I think at this current time we

have between eight to twelve internships here at the city that is funded by us. The last time I spoke to our city manager about how much it costs per intern we were estimating about \$2,500 per intern for the summer internships. I would love to see us spend \$25,000 for ten more internships for youth here in our community than spending \$25,000 in some of these other things that I don't know has an impact. I know that ten more jobs for youth in our community, that costs \$25,000 that makes a huge difference. Oftentimes these youths don't have any job opportunities in the summer and oftentimes those jobs are not jobs that build on their skills so that they can get great jobs. They are often fast food jobs or retail jobs not office and community jobs where they are building skills and experience. These internships are very critical for our young people for their future. I would like to see us invest more into that program which to me I think has a great impact then some of the other things we have listed on here. If we can find a way to cut \$25,000 somewhere else, to add more to this program that is ten internships. I would love to see that happen, if possible.

President Jeff Lunde stated I would also like to talk about the Greater MSP. I am more inclined to say cut it and maybe ask staff to come back this fall and tell us why we shouldn't. Once upon a time we would talk all the time about all the activities we were doing with Greater MSP and I don't feel like in the last year or two we or staff have even talked about them. I don't feel like they have been a topic of any type of conversation here. I am fine if we take it out and put it towards scholarships.

President Jeff Lunde asked if the Home Energy Assistance Program is the one that runs out of funding every year? Kim Berggren responded that I am not sure if that fund runs out or not. We have served over 500 people using that program over the last several years. We do have a waiting list consistently for our Home Rehab Loan funds that run through Hennepin County. That would be an opportunity if the EDA was interested investing additional funding in housing resources for the community. It would really be at the discretion of the EDA now during budget time or it could be a budget amendment anytime if the EDA wants to direct more funding to those programs.

President Jeff Lunde stated I would like to have a discussion this fall about the Home Energy Assistance and the Home Rehab Loan Programs and how it can help residents that can't afford to do home repairs. I know that one of the programs we run out of funding for and residents have about four weeks to get their application in and the money is gone. That tells me that more funding is needed.

President Jeff Lunde reported that I could go either way on the branding initiative. I think right now enforcing our branding so that when we make decisions like ordering letterhead, envelopes we refresh it with our new brand. I think it is important that we adopt the new brand and we keep enforcing the branding. If a department gets new trucks, of course they are going to put the new brand on there. There shouldn't be a question. I don't think that the budget line item for branding should be used for enforcing the branding however.

Commissioner Terry Parks stated that regarding Greater MSP I have been up at the dais for over four years and I have not seen anything that shows that it is working or that they have done anything for us. I would love to see that \$25,000 go into BrookLynk and add to the program.

Commissioner Terry Parks asked now that D'Amico is the new management company coming in at the Clubhouse is the \$50,000 for branding going to be used for that? We are going to need to brand and market that D'Amico is here. Kim Berggren answered it could be used in an initiative partnering with D'Amico and use some funds to do a branding effort. It wasn't necessarily set aside for that. This is just a practice that had come to play a couple of years ago where we said the EDA wants to continue to invest in initiating branding work, not necessarily letterhead and the basics. More for additional projects as the opportunity arises and money was put in the budget to reflect that. It doesn't have to be in the budget. Staff can come to the EDA and ask for budget amendments when initiatives are more developed. Sometimes that is an easier approach for the EDA. It just means that staff will be coming back and asking for mid-year budget amendments to do work that we kind of knew that we wanted to do but hadn't fully flushed out during the budget session. Whichever way is more comfortable for the EDA is fine.

Commissioner Terry Parks said my main point is that I would like to see more money going into BrookLynk. Kim Berggren replied that she would suggest that she notify Greater MSP that there is some concern about investing in them in 2019. I expect that they may want to come and visit the EDA and talk about what they do. We can always add Greater MSP back into the budget later or not if that is the inclination of the commission.

Commissioner Terry Parks stated from what he has heard tonight and with all the projects going on throughout Brooklyn Park I am not willing to vote to cut staff.

Commissioner Bob Mata thanked Kim Berggren for cutting the budget by half a million dollars. It is something I have been stressing for and wanting from all our budgets. Taking the initiative to cut the budget by half a million dollars was aggressive on your part. As you can see by the comments here tonight there is still room for more. We can make some more cuts and move some money around. If we got rid of the Greater MSP, it wouldn't hurt me too much. Our biggest budget driver is personnel and we all know that. I'm not saying don't fill the positions what I am saying is we don't need to do that right away. Let's hire a director and see how the director manages things and what shoes he can fill. Get the director hired and we will play it by ear from there. Thank you for cutting the budget by a half million. I look forward to the next half million cut. Kim Berggren stated that it wasn't just me but also the city manager, and finance director working with the city council.

Commissioner Lisa Jacobson stated I know sometimes in my day job my board will say we should just get more volunteers and interns to do more of the work. I just want to ask the question because I know how that goes and then we must manage the interns. Do we have the capacity to manage more interns through BrookLynk? Kim Berggren responded that is a good question and we have taken the approach among staff to say to

people who would want to take on that role to mentoring BrookLynk intern and that is somewhat dictated how many have come to be in city hall. I think there has been a budget limitation as well so if the EDA is interested in funding some of those additional interns, I think we could place some more in city hall. I wouldn't know what that number would be just now. It is helpful to know that there is an interest and we can have some conversations about that. We can always put those funds into the budget and then see how it plays out in terms of our ability to take on those positions. I also know that BrookLynk has appreciated using that strategy of having someone else pay for interns in year one for new businesses. It can be a very good way to get new businesses into the program and then hopefully they have a good experience their first year and then are willing to fund those intern positions in future years.

Technical difficulties with recording.

- 7.2 Status Update – Kim Berggren highlighted the following from the report:
- The City, EDA and resident volunteers are expanding the New Connect program to include rental communities.
 - Rust-Oleum is having a ribbon cutting ceremony Wednesday, October 17.
 - Mill City Credit Union celebrated their grand opening at 5941 – 94th Avenue North on October 3rd.
 - Design Ready Controls has been a great leader in our community around manufacturing. They hosted a Manufacturing Day event on October 5. They have also been a great leader around the BrookLynk Program and other initiatives.
 - Business Forward Advisory Board continues to meet. This Thursday they are hosting the 7th Annual Business Forward Forum. Commissioners are invited to attend. The event is oriented to any business leader in the community and is an opportunity to come learn about what is happening in the city. The main topic for the event is Workforce Development and BrookLynk will be highlighted as part of that conversation.
 - Staff is continuing to work with Devin George of George North Group in the Village Creek area. He is proposing apartments with a community kitchen on the first floor. The LDCA grant application has been submitted to the Met Council when we were there this week. Jen Jordan has been working on this project, which is not related to the LRT, supporting that effort trying to secure those grant dollars that will help close the gap on that proposed project. If we are successful, we will continue to bring the project forward for EDA consideration.
- 7.3 Metro Blue Line Extension (Bottineau LRT) Update – Kim Berggren highlighted:
- At the last work session, we went over the different infrastructure planning efforts and those handouts are attached in commissioners' packets for review. The work is being done because we have funding from McKnight and FTA related to the project. It is really beyond the rails work as you will see this has a much broader impact than just the rail line. These are all projects that the city would want to consider and are investments with or without the LRT project moving forward. They tie into the long-

range planning around trails. We are doing some additional community outreach this fall and winter related to this work. This planning will be available for when decision making needs to happen related to investments.

- Hennepin County has moved forward with the acquisition of the 6-plex that is part of Maplebrook. They have acquired and relocated the occupants of those units and they have had meetings on site with the HOA.

Commissioner Susan Pha asked if light rail does not go through will our transit oriented development, plans that we had set in place, will that still be something we would be pushing forward on? Or would that be something we would then not implement? Kim Berggren responded that we would want to look at what those zoning districts are calling for. It will be a question that the City Council and EDA would have to consider around if you would promote some intense development nodes in the community to concentrate some investment and allow for more permissive types of development. We strategically did not include some single-family neighborhoods to contain those areas that would be more highly developed. I can imagine a strategy that would be modified, if the LRT project does not move forward. We have also talked about taking some thinking from that and looking at other areas of the community where we might want to allow for some more intense development. We have not had any complaints from folks that are now able to use their properties with additional capacities. Staff will be monitoring how that goes.

Commissioner Susan Pha stated that she thought the work that was done around transit oriented development was really good work. For herself, if LRT doesn't go forward and when we do find out that it doesn't, I would like to revisit this because we may have to make modifications. She hopes that LRT will still go forward. At this point we are unsure.

Commissioner Mark Mata asked if the LRT project is at a standstill why would we let them eliminate housing units at Maplebrook and lower our tax base? If we have people living in the units, we receive taxes. Kim Berggren responded that that initiative is being led by the county so they have been proceeding over the last two years around that acquisition. It just happens that the timing is playing out this way right now. I think they felt that they had made the commitment to the residents and so they were advancing on that commitment. Most of those residents were interested in moving and selling their units. I would need to look and do some additional work with the engineers to determine if that land would be needed for a traffic signal in the case where LRT not be on that corridor. That is what is driving the need for the units the need for the traffic signal there. We can follow-up and get that information to you.

Commissioner Bob Mata stated what I would really like to see now, since the project is on hold, I would like to see us not think about the light rail but go after the county about getting West Broadway fixed. That road has needed repairs for over ten years

and they have been promising to do this. It is not done yet. If in fact the light rail ever does come, there is a median space there to put it in where it won't disrupt the traffic and they can go through the middle of it. Put it in just as if it was coming but get us our road fixed. We really need to have that happen.

IV. WORK SESSION: Began at 7:44 p.m. in the Council Chambers.

8.1 Discussion on the design of the proposed Interchange at Highway 169 and 101st Avenue.

Jesse Strueve, City Engineer stated we are here to discuss the TH169 101st interchange. The goal of the meeting tonight is for: staff and SRF to provide updates on the analysis of four different interchange options and potential cost savings; answer questions from the EDA; and get clear direction from EDA for what elements to include in interchange design moving forward.

Project history:

- 2001 TH 169 Corridor Study recommended a folded diamond interchange at TH169 and 101st Ave. N.
- 2011 MNDOT closed median at 101st Ave. N. This was done in conjunction with TH610 extension from TH169 to CR81.
- 2013 Brooklyn Park began Phase 1 Study.
- Late 2014 Brooklyn Park began Phase 2 Study.
- 2017 Brooklyn Park began Environmental Analysis of interchange.

Funding Summary:

Transportation Economic Development Grant	\$10,000,000
TEDi Grant	\$1,500,000
Regional Solicitation	\$7,000,000
State Bonds – GO bonds	\$4,000,000
Unsecured Balance	<u>\$8,500,000</u>
Total	\$31,000,000

Potential Funding Gap Options:

MNDOT Performs Construction Administration	\$1.5 million
Franchise Fees Pays to Reconstruct 101 st Ave. from Jefferson Highway to Interchange	\$1-2 Million
Special Assessments	\$2-4 Million
Value Engineering Options	\$0-2.9 Million
EDA (It is anticipated any funding shortfall or project cost increase will be covered by the EDA.)	\$1-4 Million

Value Engineering Study:

- Required on all projects that use Federal Funds and are over \$20 million.
- Involved staff from MNDOT and engineers across the country.
- Looked at the project and came up with potential solutions to reduce project costs.
- City is required to respond as to why each idea was either included or not included.

Value Engineering Study Findings:

- Consider single lane roundabouts at ramp terminals and reduce bridge to two lanes.
- Reduce loop radii from 203' to 190'.
- Use high wall abutment to reduce bridge length.
- Delete the escape lane at southbound TH169.
- Reduce the 101st Ave. Lane width.
- Use overpass at 101st and RCUT at Oxbow Creek Drive.
- Defer local work.

Initial Council Review of Value Engineering Study Findings. Initial findings were brought to the October 1, 2018 City Council Workshop:

- Council was concerned about long term capacity and traffic operations.
- Concern about dropping the escape lane on TH169.
- Concern with reducing lane widths on 101st Ave.
- Concerns with reduced on and off ramp radii.

In response to Council Concerns:

- Staff directed SRF to do further in-depth analysis of traffic control options and to refine costs estimates of the VE Study.
- SRF analyzed traffic operations and developed simulations for the following options:
 - Option #3 single lane roundabouts on both ramp intersections (2 lane bridge).
 - Option #4 dual lane roundabout on east side and single land roundabout on west side (3 lane bridge width).
 - Option #6 traffic signals at both ramp intersections (3+ lane bridge width).
 - Option #7 original design with 4 lane divided section with traffic signals at ramp intersections (5 land bridge width).

Jesse Strueve introduced Leif Garness from SRF. Leif Garness stated we are going to bring you up to speed on some additional analysis we did to help you understand potential implications of moving forward with an interchange that is less infrastructure than what we originally started with from a design perspective. As we went through this process we started looking at the original concept that we had and what the value engineering design came up with. What we have boiled this down to is four main options moving forward.

Leif Garness went over each of the four options and provided video volume simulations. Through this presentation commissioners provided feedback and asked questions on each of the options.

Jesse Strueve went over the potential costs savings:

High Wall Abutment	\$200,000
Eliminate Escape Lane	\$60,000
Reduce Lane Width on 101 st Ave.	\$70,000
Reduce Loop Radii from 230' to 190'	\$700,000
Option #3 Single Lane Roundabout	\$1,900,000
Option #4 Double on East Side/Single on West Roundabout	\$500,000
Option #6 Signals with 3+ Lane Bridge	\$700,000
Option #7 Original Design (signals and 5 lane bridge)	\$0
Total Potential Savings =	\$0 - \$2,900,000

Jesse Strueve stated we are on a tight timeline at this point. This project has been under discussion for the last five years. We are now moving towards the construction phase. While it seems like we are just springing this on you we are at the point where some of these decisions need to be made to stay on the project schedule:

- November 2018 moving forward to prepare 60% plans and submit those for comments to the appropriate agencies.
- February 2019 prepare 95% plans and resubmit to the appropriate agencies.
- April 2019 prepare the final plans.
- July 2019 have the final plans approved by Minnesota Department of Transportation.
- August 2019 open bids.
- September 2019 start construction
- Fall 2020 complete construction.

Commissioners asked questions about the options and provided feedback on their choice.

MOTION JEFF LUNDE, SECOND LISA JACOBSON TO ADOPT OPTION #7 WITH HIGH WALL ABUTMENT AND REDUCE LOOP RADII. COMMISSIONER MARK MATA VOTED NO. MOTION CARRIES.

V. ADJOURNMENT

Meeting adjourned at 8:49 p.m.

Respectfully Submitted
EDA Secretary Theresa Freund

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK
NOVEMBER 19, 2018 REGULAR MEETING MINUTES

I. ORGANIZATIONAL BUSINESS:

1. CALL TO ORDER: President Jeffrey Lunde at 7:00 p.m.

ROLL CALL PRESENT: President Jeffrey Lunde, Vice President Rich Gates and Treasurer Lisa Jacobson, Commissioners Bob Mata, Mark Mata, Terry Parks and Susan Pha, Executive Director Kim Berggren and Secretary Theresa Freund.
ABSENT/EXCUSED: None.

2. PUBLIC COMMENT AND RESPONSE:

2. A Response to Prior Public Comment: None.

2. B Public Comment: None.

3. APPROVAL OF AGENDA

MOTION RICH GATES, SECOND TERRY PARKS APPROVING THE AGENDA AS PRESENTED. MOTION PASSED UNANIMOUSLY.

II. STATUTORY BUSINESS:

4. CONSENT:

4.1 Consider Approving EDA Meeting Minutes.

MOTION RICH GATES, SECOND TERRY PARKS TO APPROVE THE JUNE 18, 2018 AND JULY 16, 2018 EDA MEETING MINUTES. MOTION PASSED UNANIMOUSLY.

5. PUBLIC HEARINGS:

5.1 None.

6. GENERAL ACTION ITEMS:

6.1 Consider Approving the Decertification of Tax Increment Financing District No. 1-22 of the City of Brooklyn Park.

MOTION BOB MATA, SECOND LISA JACOBSON, TO WAIVE THE READING AND ADOPT RESOLUTION #2018-21 APPROVING THE DECERTIFICATION OF TAX INCREMENT FINANCING DISTRICT NO. 1-22 OF THE CITY OF BROOKLYN PARK. MOTION PASSED UNANIMOUSLY.

6.2 Consider Approving 2019 EDA Budget

MOTION LISA JACOBSON, SECOND RICH GATES TO WAIVE THE READING AND ADOPT RESOLUTION #2018-22 APPROVING THE 2019 ECONOMIC DEVELOPMENT AUTHORITY BUDGET. MOTION PASSED UNANIMOUSLY.

III. DISCUSSION:

7. DISCUSSION ITEMS

7.1 Status Update – Kim Berggren highlighted the following items:

- The status update has a basic overview of the Brooks Landing and Brook Gardens Rehabilitation Project. Staff can send out the approvals to the EDA for more details on what that project would look like.
- The Brooklyn Boulevard Trail Project is nearing completion this fall.
- The Transitional House Rehabilitation Project is also finishing up this year. We do plan on making additional investments in 2019 and those allocation of funds was in the budget material.
- We are continuing to see investments at Autumn Ridge. Staff wanted to make sure commissioners had a copy of their presentation to the Watershed Management Board. It does highlight a lot of the community engagement type of work that is happening at Autumn Ridge. It has been a combination of both engaging with the residents, making higher quality improvements and some of the environmental benefits of doing rain gardens, etc.
- We do have a new restaurant in town, Tacos El Paraiso which open in October. They previously had been a food truck. It is exciting to see them moving into a permanent space in Brooklyn Park.
- 610 West is officially complete. The EDA assisted that project and we will be doing additional follow-up that is required.

Commissioner Bob Mata asked if Tacos El Paraiso receive any funding from the EDA to open their new business? Kim Berggren responded that they did not come forward with a request. Our public health inspector Alex Kim worked closely with them and spent time supporting their transition to the facility. If they begin to have challenges, he will be connecting them with EDA staff for resources.

Commissioner Lisa Jacobson asked if the SAC referral was part of the restaurant? Kim Berggren stated that no they did not request funding for SAC. Her guess is that they didn't need to pay much as the location was previously a restaurant.

Commissioner Lisa Jacobson stated that she just wanted to make sure we are not keeping that program a secret. She is concerned with the Stone Mountain area and the owner of that whole property had no idea about the SAC program. He is trying to fill his spaces with restaurants. The minute we hear that someone might be putting in a restaurant that we make sure they know about the program. Kim Berggren responded

that this is a good reminder that internally we are connected. We will make sure that is happening.

- 7.2 Welcome Site Development Project Update – Jen Jordan stated the property is owned by the EDA and is located at 7621 Brooklyn Boulevard. This property is close to the Brooklyn Boulevard and Zane Avenue North intersection and is adjacent to some EDA funded development.

The George North Group, who is headed by Devin George a former NBA basketball player, is interested in developing the property. The group is proposing: 83 units of mixed-income rental housing with a mix of 1, 2 and 3 bedrooms, Building Blocks non-profit organization for youth; and community commercial kitchen. The commercial kitchen would be run by the same person who ran the commercial kitchen in North Minneapolis.

Several commissioners last March toured the Breaking Bread facility as well as the Devin George project on Penn Avenue. In addition to the commercial community kitchen there is some space set aside for some retail component and some co-working space.

The proposed development also includes an integrated bus stop along the Welcome Avenue corner and Brooklyn Boulevard. There is a bus route that runs along there. The developer and architect are committed to making this be artistic and inviting space. This is a component they are looking at and the Met Council is interested in as well.

There are some gaps to the financing plan. We anticipate that there will be a gap from \$3 to \$6 million. We are fortunate to hear that the Metropolitan Council has awarded a grant for this project for \$832,000. We will be looking for those agreements from the Met Council to come forward here after December. In addition to the Met Council funding other funders such as Local Initiatives Support Corporation are very interested in the commercial kitchen component. We do anticipate that there will be a request from the EDA for some gap financing.

Some of the next steps include the neighborhood outreach component. Neighborhood and community meetings to talk to the surrounding folks who are already there about the proposed project. If that goes well, we will be executing a memorandum of understanding between the developer and the EDA. We would then bring forward a package of financing for your approval. It is anticipated that the financing package would probably include tax increment financing as well as EDA flexible funds.

Commissioner Mark Mata asked about the financing gap. Jen Jordan responded that we are hoping to fill the gap with other sources i.e. Hennepin County, sales tax rebate funding as well as some environmental funding through a settlement through the state. We are hoping the EDA won't have all the gap responsibility and we are looking to the developer to leverage other sources.

- IV. WORK SESSION: The EDA recessed at 7:25 p.m. and reconvened at 7:35 p.m. in the Steve Lampi Conference Room. This portion of the meeting was not televised nor recorded.

8. WORK SESSION ITEMS

8.1 North Hennepin Community College Center for Innovation & The Arts (CITA) Update and Corridor Development Initiative Development Site.

Presentation given by North Hennepin Community College President Barbara McDonald and Vice President of Finance and Facilities Stephen Kent. CITA is a unique collaboration between five project partners: North Hennepin Community College, Metropolitan State University, Brooklyn Park, Osseo Area Schools and Hennepin County.

Benefits: Replace the existing NHCC Fine Arts Center; expand NHCC's partnership with Metro State University; engage the broader community and surrounding cities in utilizing the facility to advance cultural engagement, community education and youth programming; Osseo Area Schools has future plans to develop an adjoining STEAM magnet school; and provide state of the art amenities that will advance economic development and position the NW metropolitan region for ongoing growth and development.

Milestones and timeline: Identified in NHCC Master Plan (2015); identified in Brooklyn Park Station Area Plan (2016); establish a share vision with stakeholders (Feb. 2017); Feasibility Study (May 2018–Jan. 2019); pre-design (July–Nov. 2018); fundraising (2018–2019); design (2020–2021); and construction (2022–2023).

Space overview: Large flexible performance studio; theatre studio/black box; music rehearsal and practice rooms; dance/movement studio; visual arts studios; classrooms and technology labs; faculty offices; lobby space/event space; art gallery space; and outdoor plaza.

CITA project summary:

- Square footage 83,130
- Project cost \$85.5 million, including inflation and contingency
- Anticipated funding utilizes \$45 million State of MN General Obligation Bonds: 2020 Bond Request \$7 million for design and project management; and 2022 Bond Request \$38 million.
- Possible sources for remaining \$40.5 million include NHCC, Metro State Foundation, City of Brooklyn Park and other grants.

Commissioners provided feedback on the Center for Innovation & The Arts presentation.

Corridor Development Initiative – 85th Avenue North presentation by Gretchen Nicholls Program Officer for Corridor Development Initiative, North Hennepin Community College President Barbara McDonald and Vice President of Finance and Facilities Stephen Kent. Vacant NHCC property is 6.16 acres and NHCC hopes to partner with a developer to build housing.

Corridor Development Initiative Process: Four workshops were held to gather information from the community on what future development could look like:

- What makes the 85th Avenue West Broadway station area unique.
- What could be accomplished through development that would improve or enhance the area.
- What concerns for the area do you have as future development occurs.
- Are there specific types of uses that these sites could accommodate housing, services, retail or commercial uses, etc.

Developer Insight: The NHCC site offers a great opportunity to provide a mix of housing uses with limited commercial. Development would complement Center for Innovation & The Arts.

Future Development Vision Goals:

1. Build on existing neighborhood assets and education institutions.
2. Enhance connections to maintain ease of access and safety for pedestrians, transit users, bikes and autos.
3. Encourage higher density development of a mix of uses that complement transit and surrounding uses.

Development Proposal / Steps:

- Minnesota State approval to sell land.
- Comprehensive Plan change land use.
- Solicit developer in 2019.
- Planning approvals in 2019.
- Construction 2020-2021.

Commissioners provided feedback on the Corridor Development Initiative presentation.

- 8.2 Fair Housing Policy – Executive Director Kim Berggren, Planning Director Cindy Sherman and Economic Development Specialist Erika Byrd.

Statement regarding the local municipality's commitment to fair housing generally includes:

- Fair housing policy statement.
- Complaint intake, processing and referral.
- Meaningful access to information.
- Fair housing training.
- Housing, code and project planning analysis.
- Community engagement.
- Affirmatively furthering fair housing.

Staff will work with the Human Rights Commission on drafting a fair housing policy. This policy will be brought to the EDA the first half of 2019.

Eviction Report:

- 602 evictions in 2017.
- Nonpayment of rent cases accounted for 97% of eviction filings.
- Evictions filed 16 days after rent was due, on average.
- Average amount behind was 1.75 months (about \$1,600 including fees).
- Evictions filed by four property owners accounted for 65% of cases. These four property owners own 28% of the rental units.
- Evictions in Hennepin county have decreased significantly since 2009 but Brooklyn Park has stayed relatively the same.

Actions Taken:

- Housing resource informational flyer and Attorney General booklet delivered.
- Staff met with apartment managers and/or owners of Huntington Place, the Willows, Eden Park and Moonraker.
- Discussions with Minnesota Multi-Family Housing Association, the Conflict Resolution Center and Urban Land Institute.

Next Steps:

- Explore possible ways to prevent evictions and support tenants.
- Facilitated discussion on evictions with stakeholder groups in early 2019.
- HOME Line to present findings and analysis.

Commissioners provided feedback on the presentation of fair housing and requested further information.

V. ADJOURNMENT

Meeting adjourned at 9:18 p.m.

Respectfully Submitted
EDA Secretary Theresa Freund

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK
DECEMBER 17, 2018 REGULAR MEETING MINUTES

I. ORGANIZATIONAL BUSINESS:

1. CALL TO ORDER: President Jeffrey Lunde at 7:15 p.m. (immediately following Council Meeting).

ROLL CALL PRESENT: President Jeffrey Lunde, Vice President Rich Gates and Treasurer Lisa Jacobson, Commissioners Bob Mata, Mark Mata, Terry Parks and Susan Pha, Executive Director Kim Berggren and Secretary Theresa Freund.
ABSENT/EXCUSED: None.

2. PUBLIC COMMENT AND RESPONSE:

2. A Response to Prior Public Comment: None.

2. B Public Comment: None.

3. APPROVAL OF AGENDA

MOTION RICH GATES, SECOND TERRY PARKS APPROVING THE AGENDA AS PRESENTED. MOTION PASSED UNANIMOUSLY.

II. STATUTORY BUSINESS:

4. CONSENT:

4.1 Consider Approving EDA Meeting Minutes.

RICH GATES, SECOND TERRY PARKS TO APPROVE THE DECEMBER 3, 2018 MEETING MINUTES. MOTION PASSED UNANIMOUSLY.

5. PUBLIC HEARINGS:

5.1 None.

6. GENERAL ACTION ITEMS:

6.1 Consider Recognizing and Presenting a Plaque to Vice President Rich Gates and Commissioner Bob Mata for Exemplary Service to the Brooklyn Park Economic Development Authority.

MOTION JEFF LUNDE, SECOND MARK MATA RECOGNIZING AND PRESENTING A PLAQUE TO VICE PRESIDENT RICH GATES AND COMMISSIONER BOB MATA FOR EXEMPLARY SERVICE ON THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY BY SUPPORTING: 1) STRATEGIC ECONOMIC DEVELOPMENT INVESTMENTS TO PROMOTE GROWTH AND IMPROVE THE COMMUNITY'S FINANCIAL FUTURE; AND 2) CITY-WIDE EFFORTS THAT PROMOTE NEIGHBORHOOD LIVABILITY AND SUSTAINABILITY. MOTION PASSED UNANIMOUSLY.

- 6.2 Consider Amending the 2018 Economic Development Authority Budget in the Amount of \$182,217.50 to Fund the Purchase of Existing Edinburgh Clubhouse Equipment from Lancer Catering and Authorizing the Sale of Existing Clubhouse Equipment to D'Amico & Partners.

MOTION MARK MATA, SECOND LISA JACOBSON TO WAIVE THE READING AND ADOPT RESOLUTION #2018-24 AMENDING THE 2018 ECONOMIC DEVELOPMENT AUTHORITY BUDGET IN THE AMOUNT OF \$182,217.50 TO FUND THE PURCHASE OF EXISTING EDINBURGH CLUBHOUSE EQUIPMENT FROM LANCER CATERING AND AUTHORIZING THE SALE OF EXISTING CLUBHOUSE EQUIPMENT TO D'AMICO & PARTNERS IN THE AMOUNT OF \$182,217.50 TO BE PAID IN 84 EQUAL MONTHLY INSTALLMENTS COMMENCING JANUARY 20, 2019 IN ACCORDANCE WITH THE CLUBHOUSE MANAGEMENT AGREEMENT. MOTION CARRIES (6 TO 1). COMMISSIONER SUSAN PHA VOTED NO.

- 6.3 Consider Approving Replacement of the Loan Servicing Agreement with Community Reinvestment Fund, Inc. for the Brooklyn Park Home Improvement Program.

MOTION BOB MATA, SECOND TERRY PARKS TO WAIVE THE READING AND ADOPT RESOLUTION #2018-25 APPROVING REPLACEMENT OF THE LOAN SERVICING AGREEMENT WITH COMMUNITY REINVESTMENT FUND, INC. FOR THE BROOKLYN PARK HOME IMPROVEMENT LOAN PROGRAM. MOTION PASSED UNANIMOUSLY.

- 6.4 Consider Approving Amendment to the Amended & Restated Consulting Agreement between the Brooklyn Park EDA and the Center for Energy & Environment.

MOTION RICH GATES, SECOND TERRY PARKS TO WAIVE THE READING AND ADOPT RESOLUTION #2018-26 APPROVING AMENDMENT TO THE AMENDED AND RESTATED CONSULTING AGREEMENT BETWEEN THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY AND THE CENTER FOR ENERGY AND ENVIRONMENT. MOTION PASSED UNANIMOUSLY.

III. DISCUSSION:

7. DISCUSSION ITEMS

- 7.1 Status Update – Kim Berggren highlighted the following:
- Simpson Housing Services has been able to secure funding. They are the group that we partner with on the 4-plex. It is always good to know that they have secured funds to operate the social services side of their business.
 - North Hennepin Chamber of Commerce has closed. They are directing their members to the I-94 West Chamber of Commerce. TwinWest has also reached out to their members and offered their services. Staff is reaching out to other communities that have business associations to see what kind of support and services are offered. Otherwise we will let the I-94 West Chamber of

Commerce and TwinWest Chamber support those existing members.

- Staff will talk to the Business Forward Advisory Board if they are identifying any gaps to services to businesses and if anything needs to be done. This will be a main item on their upcoming agenda.
- BrookLynk had a great event that was focused on connecting with existing and new businesses. Commissioners Lisa Jacobson and Susan Pha attended. Thank you for supporting BrookLynk. The feedback from that event was positive. The partners have decided to try hosting the event again next year to continue to raise awareness in the business community on how they can get involved in supporting our youth, particularly in the internship arena.

Commissioner Bob Mata stated he would like to thank Ms. Berggren for all her efforts and guiding the EDA staff and this commission throughout the years that he has served. I think you have done an excellent job. I would like to thank all my fellow commissioners for all their work, help and thoughtful insights in directing the EDA and Council.

IV. WORK SESSION:

8. WORK SESSION ITEMS

8.1 None.

V. ADJOURNMENT

Meeting adjourned at 8:12 p.m.

Respectfully Submitted
EDA Secretary Theresa Freund

City of Brooklyn Park Request for EDA Action

Agenda Item No:	6.1	Meeting Date:	February 19, 2019
Agenda Section:	General Action Items	Prepared By:	Kim Berggren, Community Dev. Dir., Jesse Struve, City Engineer and Jeff Holstein, City Transportation Engineer
Resolution:	X	Presented By:	Kim Berggren, Community Development Director
No. of Attachments:	3		
Item:	Consider Approving a Resolution Authorizing the Use of Tax Increment Financing (TIF#3) Funds for the Payment of Non-Reimbursable Expenses for the Highway 169 and 101 st Interchange Project		

Executive Director's Proposed Action:

MOTION _____, SECOND _____ TO WAIVE THE READING AND (1) ADOPT RESOLUTION #2019-__ AUTHORIZING THE USE OF TAX INCREMENT FINANCING (TIF#3) FUNDS FOR THE PAYMENT OF NON-REIMBURSABLE EXPENSES FOR THE HIGHWAY 169 AND 101ST INTERCHANGE PROJECT.

Overview:

Since 2001, Brooklyn Park has been planning for a grade separated interchange at the intersection of Highway 169 and 101st Avenue. In the next few months, the City will finalize the design of the proposed full interchange and the associated environmental work. Construction is planned to start this fall and finish in 2020.

The current project cost estimate is \$28.2 million. In the past two years, the City secured \$23.5 million in funding from federal and state sources through competitive processes. During the Phase I and II portions of the project, the City/EDA expended approximately \$800,000. Staff believes the City has maximized possible sources of external funding and recommends funding the remaining \$3.9 million of the project locally through a combination of property assessments to the benefiting properties and available Economic Development Authority (EDA) Tax Increment Financing (TIF #3) funds.

To advance this project on the desired timeline, staff recommends the EDA commit to use EDA funds to pay for the balance of the project, estimated at \$3.9 million less the funds collected through the proposed benefits assessment. The amount of funds collected through the benefits assessment process will be determined by the City Council over the next several months. The proposed resolution of commitment will be shared with grant funding sources who require evidence of a full funding package for the project.

Primary Issues/Alternatives to Consider:

- **What are the proposed sources and uses of the project?**

Attachment C details the planned sources and uses for the project. The project is primarily funded with state and federal resources. The proposed local funds of approximately \$3,900,000 will be from a combination of private property owners who benefit from the interchange and the Economic Development Authority (EDA)'s available Tax Increment Financing (TIF) cash from TIF District #3.

- **What is the history of and proposed timeline for the project?**

On June 10, 2013, the City Council approved initiating an Alternatives Analysis Study (Phase 1). The City led a public outreach program allowing the community to provide comments on a number of proposed concepts. The ultimate result of the Phase I study was the recommendation to proceed with the current concept. The City hired SRF to prepare a preliminary layout and a state environmental document. This began on December 15, 2014 and is commonly referred to as (Phase II). Finally, the City began final plans for the proposed interchange and the preparation of a federal environmental document in 2017. This work is expected to be completed in the next few months.

Project History

- 2000 and before - Preliminary discussions about access to 169 at 101st Avenue as part of the proposed Performing Arts Center (MNDOT indicated no signal would be approved)
- 2001 - TH 169 Corridor Study Recommended a folded Diamond Interchange at TH 169 / 101st Ave.
- 2011 - MNDOT Closes Median at 101st Ave.
- Done in conjunction with 610 Extension from TH 169 – to CR 81.
- 2013 – Brooklyn Park begins Phase I Study.
- Late 2014 – Brooklyn Park begins Phase II Study. (Target contributed \$100,000 to the study)
- 2016 – Brooklyn Park staff begin securing funds for the project.
- 2017 – Brooklyn Park begins federal Environmental Analysis of Interchange. Additional funds secured for project.
- Spring 2018 – Final grant funding source (GO Bonds) secured at the legislature. Brooklyn Park hires consultants for final design and right of way acquisition services.

Anticipated Project Schedule

- February 25, 2019 – Accept Feasibility Study and Order Public Hearing
- March 25, 2019 – Public Hearing
- Spring / Summer 2019 – Begin Right of Way Acquisition
- June 2019 – Submit Final Plans
- August 2019 – Final Plans Approved by MNDOT
- August 2019 – All property titles in hand
- September 2019 – Bid Opening
- October 2019 – Start Construction
- Fall 2020 – End Construction
- Fall 2021 – Final Assessment Hearing
- November 2021 – Assessments Levied

- **Why should the EDA commit funds to the project?**

The EDA has anticipated participating in this interchange project for several years because it contributes to the economic development potential of the community. As demonstrated through the various studies of this project, the interchange is needed to allow the business parks and mix-used neighborhoods to build out on all sides of the interchange. The interchange will be particularly important to the buildout of NorthPark Business Park and the Oak Grove Station area, but there are hundreds of acres of undeveloped land in this area that will be able to develop at increased densities and increased values because of this project. Existing businesses and property owners will also realize the benefit of enhanced access and reduced congestion.

- **What are the next steps?**

If the EDA approves the attached resolution, staff will share the resolution with the various granting agencies to prepare for execution and implementation of the grant awards.

Budgetary/Fiscal Issues:

TIF #3 cash is available to the EDA to cover the anticipated project gap, which is estimated at \$3.9 million less the funds collected from private properties through benefits assessments or private payments. TIF#3 funds can only be used to fund the improvements that are located within Development District #1. The estimated project costs within Development District #1 exceed \$3.9 million.

When the City Council establishes the benefits assessments, the estimated \$3.9 million gap will be reduced by that amount. Because other funding sources are fixed, if project costs change, the EDA's contribution could go up or down accordingly.

Recommendation:

The Executive Director recommends approval.

Attachments:

- 6.1A RESOLUTION
- 6.1B PROJECT INFORMATION SHEET
- 6.1C SOURCES AND USES

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK

RESOLUTION #2019-

AUTHORIZING THE USE OF TAX INCREMENT FINANCING (TIF#3) FUNDS
FOR THE PAYMENT OF NON-REIMBURSABLE EXPENSES FOR THE
HIGHWAY 169 AND 101ST INTERCHANGE PROJECT

WHEREAS, the Brooklyn Park Economic Development Authority (the "EDA") and the City of Brooklyn Park (the "City") have established Tax Increment Financing District No. 3 (the "TIF District") within Development District No. 1 (the "Development District"), and have adopted a tax increment financing plan ("TIF Plan") for the purpose of financing certain improvements within the Development District;

WHEREAS, the City and EDA are undertaking a highway interchange project located at Highway 169 and 101st Avenue in the City (the "Project"), which is expected to cost approximately \$28.2 million;

WHEREAS, as of the date of this Resolution the City has expended approximately \$800,000 in Project development costs and approximately \$23.5 million of the costs of the Project are expected to be paid from state and federal funding;

WHEREAS, the EDA and the City have determined the Project is needed because it contributes to the economic development potential of the community by allowing nearby business parks and mixed-use neighborhoods to expand; and

WHEREAS, EDA has determined that there is at least \$3.9 million in available funds in the TIF District account which may be used within the budget of the TIF Plan to pay certain costs of the Project located within the Development District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Brooklyn Park Economic Development Authority (the "Board") as follows:

1. The EDA finds (a) that its objectives in encouraging development, redevelopment and expansion of commercial properties within the Development District would be advanced by the Project and (b) that the expenditure of EDA funds for the Project is necessary in order to fully develop such properties.

2. The EDA hereby appropriates and commits \$3,900,000 to pay costs of the Project and authorizes the expenditure of available tax increment from the TIF District to pay the costs of the Project in the amount of up to \$3,900,000 or such amount as determined necessary for such purpose by the Executive Director of the EDA in consultation with City Engineer.

U.S. Hwy. 169/101st Ave. N.

Interchange Project, City of Brooklyn Park

Serving a growing Brooklyn Park

As northwest Brooklyn Park grows, a safe and efficient road system is needed to serve the residents and businesses of this area of Hennepin County.

Several studies indicate an interchange along Highway 169 between Highway 610 and 109th Avenue would be the catalyst to a safe and efficient road system.

Why do we need a 101st Avenue interchange at Highway 169?

- To support the city's economic development goals and allow for significant job growth (14,400) in this area of Brooklyn Park
- To prevent severe congestion and safety problems at Highway 169/109th Avenue and Highway 610/West Broadway Avenue.
- To support the future METRO Blue Line light rail transit in Brooklyn Park and provide multimodal access for all users

Who's working on the interchange?

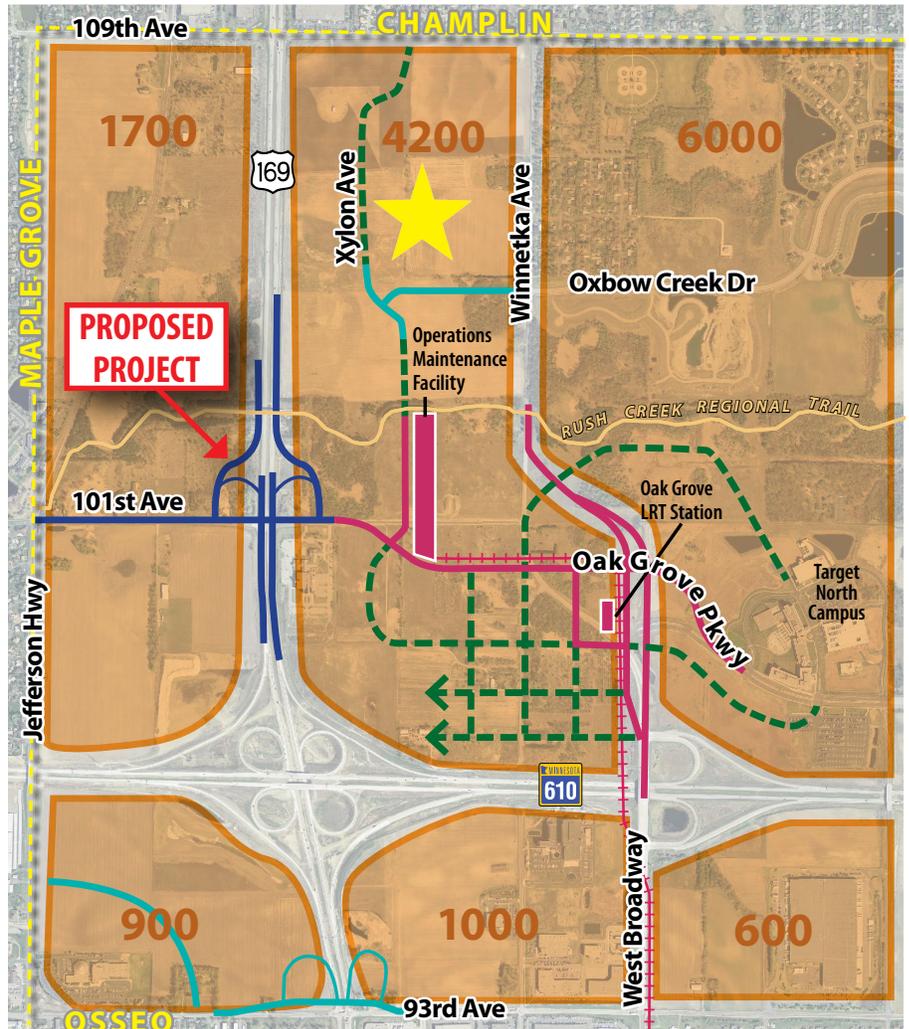
Brooklyn Park is working with:

- Maple Grove
- Osseo
- Champlin
- Minnesota Department of Transportation
- Metropolitan Council
- Hennepin County
- Metro Transit
- Three Rivers Park District
- Area residents, businesses and land owners

Plan for the interchange

The map shows the plan for the new interchange and how it changes other streets in the area. This plan was selected compared to others looked at by Brooklyn Park because it:

- Keeps a steady and safe flow of traffic
- Fits with the trail system
- Promotes multimodal traffic
- Protects the environment
- Keeps cost low



Legend

- Proposed Interchange Project
- Blue Line Extension LRT Project
- Future Roadways by Others
- XXXX Expected Job Growth (2015–2040) Based on Met Council Forecasts
- New Existing



Steps to build the interchange

- Complete alternatives analysis (done)
- Study impacts to the environment (done)
- Preliminary design (done)
- Determine land needed (done)
- Identify funding
- Acquire necessary properties
- Final design
- Construction

Cost

The interchange is expected to cost \$28 million in 2020 money. This project estimate includes the cost of building the interchange and the cost of buying land needed for the project.

Jeff Holstein
Transportation Engineer, City of Brooklyn Park
763-493-8102
Jeff.Holstein@brooklynpark.org

Brooklyn Park 
 Unique. United. Undiscovered.

6.1C SOURCES & USES US 169 & 101ST AVENUE INTERCHANGE Page 6

US 169 & 101ST AVENUE INTERCHANGE – 01/16/2019 BY JEFF HOLSTEIN

PROJECT WORK TYPE	ESTIMATED COST	FUNDING SOURCES						TOTAL
		Local (1)	MnDOT (3)	TED (4)	TEDi (5)	Regional Solicitation (6)	State GO Bonds (7)	
Preliminary Engineering & EAW	\$690,000	\$690,000	\$0	\$0	\$0	\$0	\$0	\$690,000
Environmental Update (EA – March 2019 completion)	\$110,000	\$110,000	\$0	\$0	\$0	\$0	\$0	\$110,000
Final Design & ROW Services	\$1,000,000	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$1,000,000
Right-of-Way Acquisition Trunk Highway (9)	\$4,000,000	\$1,700,000	\$0	\$2,300,000	\$0	\$0	\$0	\$4,000,000
Right of Way Acquisition Local Roadway (9)	\$3,000,000	\$200,000	\$0	\$1,300,000	\$1,500,000	\$0	\$0	\$3,000,000
Construction/Trunk Highway	\$10,000,000	\$0	\$0	\$5,000,000	\$0	\$2,000,000	\$3,000,000	\$10,000,000
Construction / Local Roadway	\$8,000,000	\$600,000	\$0	\$1,400,000	\$0	\$5,000,000	\$1,000,000	\$8,000,000
Construction Management (3)	\$1,400,000	\$400,000	\$1,000,000	\$0	\$0	\$0	\$0	\$1,400,000
TOTALS	\$28,200,000	\$4,700,000 (8)	\$1,000,000	\$10,000,000	\$1,500,000	\$7,000,000	\$4,000,000	\$28,200,000

1. Local is monies from City of Brooklyn Park including possible assessments from property owners. Does not include city staff time.
2. Omitted.
3. Construction Administration value is approximately.
4. Funds available in 2019 (i.e., start of project). 50% available upon letting; remaining available when project is 50% complete.
5. Similar to bonding; must be used on local portion. These funds are reimbursable for work complete.
6. Reimbursable for work complete on construction only. Advanced Construction has been applied for 2019.
7. Funds available in 2019 (i.e., start of project). Need Agreement.
8. \$800,000 already spent in project development. Balance of \$3,900,000.
9. Based on Average of \$8 sq. ft. including all acquisition costs, including legal, relocations, etc.

**MEMORANDUM**

DATE: February 14, 2019
TO: EDA Commissioners
FROM: Kim Berggren, Executive Director
SUBJECT: Status Update

HOUSING AND DEVELOPMENT**Community Development Block Grant (CDBG) Meeting**

The City of Brooklyn Park received about \$464,000 in the fiscal year 2019 with 15% of this fund earmarked for public service activities and the remaining amount will be spent on the City's programming priorities based on the City Council's direction on Feb. 11 during the public hearing on CDBG allocation and the February 25 Council meeting where final allocations will be decided.

The RFP for public services is due to Hennepin County on February 21, 2019. The cooperation agreement selection committee will be beholding a meeting on March 7 to review the received public services applications before making final award recommendations to the Hennepin County Board.

BUSINESS DEVELOPMENT**Business Forward Advisory Board Meeting**

BFAB held its monthly meeting on Tuesday, February 5 in City Hall. Despite the snowy weather, a few members made it to learn about Hennepin County's recycling and organics programs. Andre Xiong from Hennepin County gave an interesting presentation about the County goals around recycling and organics collection and how businesses can start reducing their waste creation today. The presentation also included resources for businesses interested in building out their recycling programs.

Brooklyn Park Set to Welcome Three New Restaurants:

The list of great food options continues to grow in Brooklyn Park. El Rancho, located at 1408 85th Ave N, officially opened its doors in late January. The space, formerly home to Fiesta Cancun, updated its interior and has one of a kind food options. The City also welcomed Freddy's Custard and Steakburger in early February. The fast-casual restaurant is located at 9900 Xenia Ave N and includes offerings like burgers and ice cream treats. Additionally, Pancheros, a fast-casual Mexican restaurant, is preparing to open in the old Cherry Berry building in Park Place Promenade.

Equity Summit on Employee Ownership

Kim Berggren attended an Equity Summit on Business Retention through Employee Ownership. The trip and convening was hosted by Nexus Community Partners and Project Equity and funded by foundations. Attendees included leaders from Minneapolis, St. Paul, and Ramsey County along with leaders from across the nation from cities like New York and Berkley. The conference provided discussion and a learning opportunity around how employee ownership could be a strategy to retain businesses as baby boomers retire and to support more equitable economic outcomes by race by offering the wealth building benefits of business ownership to workers.

OTHER

Edinburgh Clubhouse

At the January meeting of the Economic Development Authority a motion was approved authorizing the Executive Director to enter directly into contracts with vendors for the work being done at Edinburgh USA Clubhouse. In recent weeks, the following contracts have been approved for work on the lower level ballroom, hallways, bathroom and lobby:

Contract	Vendor	Amount
Millwork	ICG, Inc.	\$ 3,425
Electrical	Connect Electric	\$ 24,840
Painting	Bengston Painting	\$121,750
Millwork Install	Sunrise Construction	\$ 1,280
Floor Demolition	Quaale Enterprises	\$ 10,175
Kitchen Equipment	Boelter Premier	\$ 47,757

Additional contracts for plumbing and flooring are expected soon for Phase 2 and 3.

Anderson Engineering has completed the plans for the restaurant remodel (Phase 1) and they have been submitted for Plan Review by Community Development staff. The restaurant work is a slightly behind the original schedule but construction is still expected to be complete in early to mid-April. Plans are being developed for the work on the outdoor wedding area, as well as the second floor of the Clubhouse. Staff is targeting mid-May for substantial completion of all work at Edinburgh Clubhouse.

Center for Innovation and the Arts (CITA)

Feasibility study work continues for the Center for Innovation and the Arts (CITA). The feasibility study consultants engaged the public at the Brooklyn Park Community Assembly on January 24th, as well as North Hennepin Community College faculty and staff on February 7th. EDA staff will be discussing the project with the Recreation and Parks Commission and Planning Commission in February and is working on planning an engagement session with the Maple Grove arts community in early March.

Ehlers Public Finance Seminar

Some of the Economic Development and Finance department staff attended Ehlers annual Public Finance Seminar. The seminar featured sessions on public financing tools such as Tax Increment Financing (TIF) and bonds along with development case studies and a legislative update. Kim Berggren spoke about equitable economic development during a session, highlighting several of Brooklyn Park's recent initiatives in that area.

METRO Blue Line Extension (Bottineau LRT) Update

Agendas and previous meeting presentations can be found at:

<http://www.metrocouncil.org/Transportation/Projects/Current-Projects/METRO-Blue-Line-Extension/Committees.aspx>.

Connect Blue Line Now! Communication Coalition

Connect Blue Line Now! Coalition is an ongoing collaboration effort around the METRO Blue Line Extension. The coalition includes elected representatives from cities along the future LRT route and other communities near the route. The goal of the coalition and campaign is to create a unified message about the benefits of the line to the Northwest suburbs.

<http://connectbluelinenow.com/>

Coalition members met February 4, 2019 and are planning a trip to Washington, D.C. to visit the Minnesota delegation and Federal Transit Administration officials in March 2019. The Coalition and North Hennepin Community College hosted Representative Dean Phillips for a conversation about the METRO Blue Line Extension project on January 22, 2019. While in Brooklyn Park, Congressman Phillips visited area businesses and with the Mayor and Staff. Other meetings with elected leaders are in the process of being coordinated.

City of Brooklyn Park EDA WORK SESSION

Agenda Item No:	8.1	Meeting Date:	February 18, 2019
Agenda Section:	EDA Work Session	Prepared By:	Breanne Rothstein, Economic Development and Housing Director
No. of Attachments	1	Presented By:	Kim Berggren, Executive Director and Breanne Rothstein, Economic Development and Housing Director
Item:	Discuss purchase of parcels related to the acquisition of right-of-way for the 101 st Avenue and Highway 169 Interchange		

Executive Director's Proposed Action:

Discuss the potential purchase of three parcels impacted by right-of-way acquisition for the 101st Avenue and Highway 169 interchange.

Overview:

The City has been planning for improvements at the intersection of Highway 169 and 101st Avenue. The City secured \$23.5 million in funding from federal and state sources through competitive processes and has begun final design and the right-of-way acquisition process. The design necessitates the acquisition of right-of-way from various parcels. In particular, there are three private properties on the northwest corner of the proposed interchange where only a portion of the property is needed for the project right-of-way. The map of all parcels affected by right-of-way needs is included as an attachment. The below table summarizes the three properties that are the focus of discussion tonight.

Table 1: Parcel Information

Label on ROW map	Owner	Parcel Size	ROW needed	Parcel Size Remaining	Priority
Parcel #8	Kevin Thurs	5.4 acres	3.1 acres	2.3 acres	High Priority
Parcel #5	Beverly Goerisch	6.2 acres	0.8 acres	5.4 acres	High Priority
Parcel #3	Crossroads Alliance Church	13.4 acres	0 acres	13.4 acres	Low/Medium Priority
Parcel #6	Kevin Thurs	0.3	0.1 acres	0.2 acres	High Priority

Parcel #8 - The majority of Parcel #8 is needed for the right-of-way for the interchange. The remaining land would be landlocked. Kevin Thurs also owns Parcel #7 (0.9 acres), the entirety of which is proposed to be needed for right-of-way, and Parcel #6 (0.3 acres). There is a garage and shed used for business storage on the portion of this site that is needed for ROW.

Parcel #6- This parcel is owned by Thurs, and 40% is needed for right-of-way acquisition. No structures exist on this land.

Parcel #5 – Only a small amount of this parcel is needed for right-of-way, so the balance could be developable in the future. However, if purchased in conjunction with the remnant of Parcel #8, there could be economic development value beyond what would be realized if developed separately. The ROW acquisition will include acquiring the existing home, garage, and driveway on this site. The westernmost 30 feet of the parcel could be used for future access after completion of the interchange project.

Parcel #3 – No right of way is needed from Parcel #3; however, this parcel could be considered as a larger economic development initiative. The church who owns this parcel has previously indicated potential interest in selling the eastern portion of this land for development.

Primary Issues/Alternatives to Consider:

- **What is the use/value of remnant parcels (after purchasing needed right-of-way)?**

Parcel #8 is a high priority for full acquisition consideration. The right-of-way needs on this parcel are large and the remaining parcel may have little value to the current landowner. Parcel #5 should also be a strong consideration, since that is the location of potential access to the remnant land on Parcel #8. Parcel #3 would add to the economic development potential of the area, since it would add to the size of the land that could be developed, but it is not needed in order to do a smaller development project on the other parcels. Full appraisals of each parcel would be needed before any purchase offer could move forward.

- **What factors should the EDA consider in these potential land acquisitions?**

The EDA should consider the acquisition of the full parcels based on the following factors:

- **The percentage of land needed for ROW** (Parcel #8 ROW need is 57% of the land. Parcel #5 ROW need is 13 percent. 40 percent of Parcel #6 is needed for ROW. Parcel #3 has no ROW acquisition need).
- **Access to the remnant parcels.** Parcel #8 has no remaining access upon ROW acquisition. Parcel #5 would maintain access and could provide access to Parcel #6 and #8 remnants if developed together. Parcel #3 maintains access.
- **Overall size of remnant parcel for development suitability.** Parcel #8 remnant is 2.3 acres. Parcel #5 is 5.4 acres. Parcel #6 is 0.2 acres. Together, that is 7.9 acres. With all or a part of Parcel #3, the parcel would be suitable for a moderately sized economic development project.
- **Timing and availability of infrastructure.** While the interchange is proposed to be constructed in 2019 and 2020, utilities are not planned to be available to the site for at least 10 years. These acquisitions, if pursued, should be considered long term holds for the EDA. The 2040 Comprehensive Plan has the land guided for Business Park. Multi-family housing would also likely be a viable use for this land.
- **Benefits of cooperation with property owners.** If the City successfully works with property owners when purchasing required ROW, the process is faster for the property owner and City, it improves the public's perception of the associated project, it likely saves money for both parties (i.e. fewer attorney fees), and the property owners will not be left with unwanted remnant parcels.

- **What are the next steps?**

If the EDA has interest in purchasing any or all of the parcels under discussion, the next step would be for staff to obtain a full appraisal for each parcel and make offers to the property owners based on the direction offered by the EDA. Also, staff would advance pre-development activities. Any successfully negotiated purchase agreement would be contingent on EDA approval.

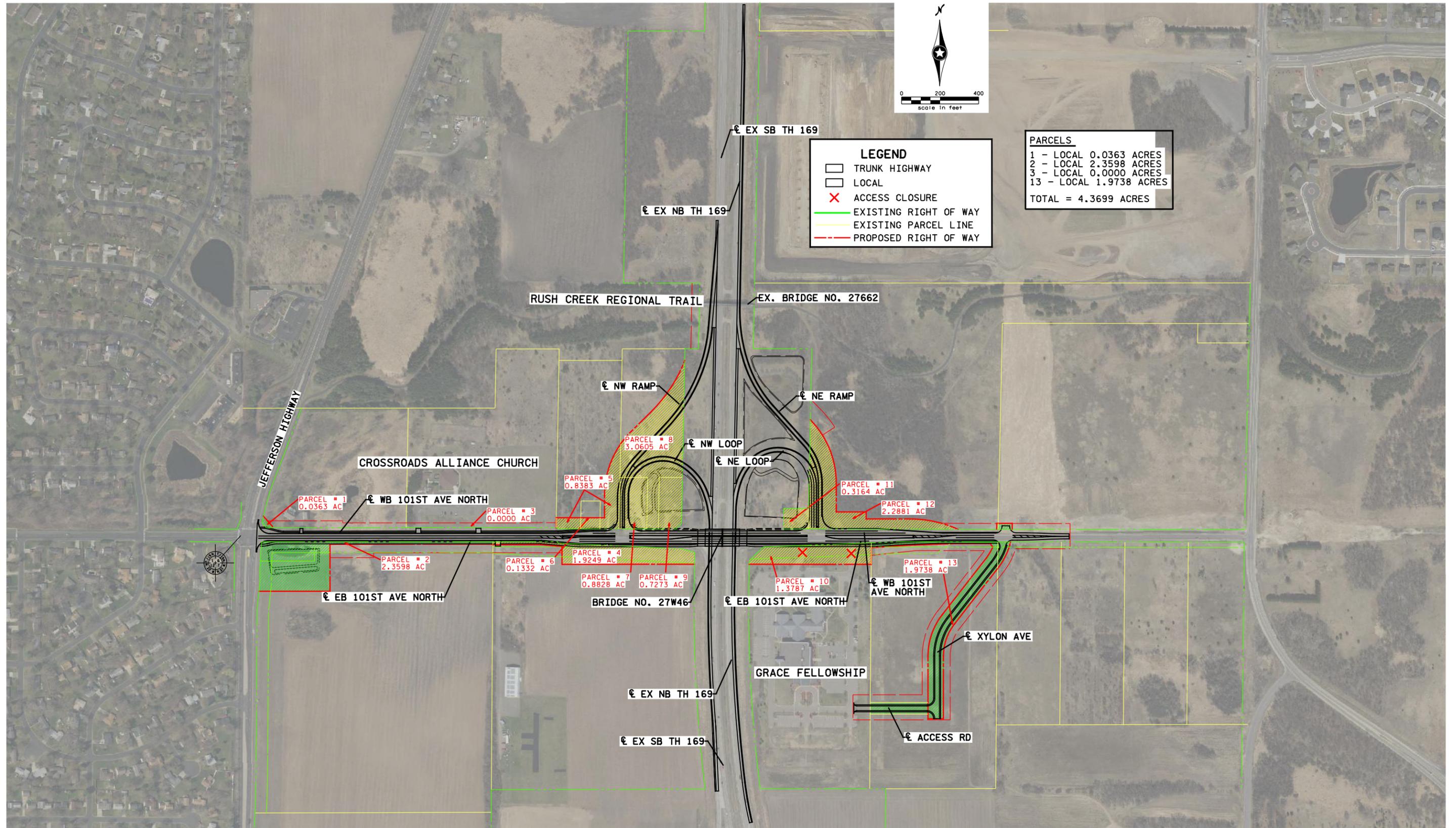
Budgetary/Fiscal Issues:

The right-of-way acquisition will be funded within the \$28 million interchange project budget. The remaining land acquisition (or difference in acquisition price between the full parcel and the required right-of-way) would be funded by the EDA General Fund. Staff will provide additional information on anticipated purchase price during the meeting.

Attachments:

8.1A Map of Right-of-Way Acquisition Needs

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TRUNK HIGHWAY / LOCAL JURISDICTION ROW IMPACTS
 TH 169/101ST AVENUE INTERCHANGE PRELIMINARY DESIGN
 CITY OF BROOKLYN PARK

8757
1/9/2019

City of Brooklyn Park EDA WORK SESSION

Agenda Item No:	8.2	Meeting Date:	February 18, 2019
Agenda Section:	EDA Work Session	Prepared By:	Breanne Rothstein, Economic Development and Housing Director & John Kinara, Housing & Redevelopment Specialist
No. of Attachments	1	Presented By:	Breanne Rothstein, Economic Development and Housing Director & John Kinara, Housing & Redevelopment Specialist
Item:	Brooklyn Park Homeowner Programs Overview		

Executive Director's Proposed Action:

Review Brooklyn Park Homeowner Programs.

Overview:

The Brooklyn Park Economic Development Authority (EDA) administers several programs that provide financial resources to single-family and townhome homeowners for capital improvement repairs. The EDA and the Community Development Block Grant (CDBG) program fund these programs. The programs allow homeowners to borrow money to make improvements such as new furnaces, windows, exterior improvements and kitchen renovations. Depending on the program, homeowners receive a low-interest loan that they pay back or a deferred loan that is forgiven after a set period of between 10 to 15 years.

The Brooklyn Park EDA recognizes that preserving affordable, durable and well-maintained housing stock is critical to the community's tax base, livability, security, quality of life and the overall business climate. It essential to take note that many Brooklyn Park neighborhoods have an aging housing stock requiring significant upkeep and maintenance to remain viable and avoid blight. Therefore, focusing on these challenges through reinvestments in the existing housing stock is intended to provide the greatest impact on stabilizing Brooklyn Park's housing and neighborhoods as well as maintaining the City's tax base through increased property values and curb appeal.

The EDA has administered variations on these types of homeowner directed housing programs for many years based on community needs, available funding, and strategic goals. For example, for two years the EDA provided small homeowner improvement grants using grant funds from the Federal Home Loan Bank of Des Moines. The EDA also recently administered a CDBG-funded small grant program for exterior improvements, including landscaping and driveways. The EDA has also administered programs in the past that assist first time homebuyers.

Currently, the EDA partners with the Hennepin County and Center for Energy and Environment (CEE) to administer its homeowner housing programs. Hennepin County's Community Works department administers programs on behalf of or in coordination with Hennepin County cities, including Brooklyn Park. Among other program areas, CEE is a non-profit organization that provides technical assistance and lending programs for home-improvement and home-energy efficiency programs.

City Community Development staff support the implementation of these programs, including proposing and preparing the annual budget, reporting, marketing, and coordination with the County and CEE. Staff also fields calls and inquiries about available programming, funding, and navigation of the process to apply for funds.

Existing Programs:

The EDA administers or partners on several housing programs designed to support homeownership in the City of Brooklyn Park. These programs are summarized in Table 1.

Table 1 – Programs Overview

Program Name	Funding Source	Funding Type	Administrator	Eligibility Requirements	Recommendation
Brooklyn Park Home Improvement Loan	EDA General Fund	Subordinate loan up to \$25,000 with required repayment	Center for Energy and Environment	Income restricted to 120% Area Median Income (AMI) or less, caps at 110% Loan to Value Ratio (LVR)	Revise program guidelines
Home Rehabilitation Deferred Loan Program	Community Development Block Grant	Deferred 10-year loan typically \$1,000 to \$15,000	Hennepin County	Income restricted to 80% AMI or less, with preference given to emergency needs	Revise program guidelines
Emergency Assistance Deferred Loan Program	Community Development Block Grant	Deferred 10-year loan typically \$1,000 to \$15,000	Hennepin County	Income restricted to 80% AMI or less with preference given to lowest-income households	Revise program guidelines
Housing Improvement Areas/Town Home Loan	EDA General Fund	Subordinate loan starting at \$100,000 - \$500,000	Brooklyn Park EDA	Associations must meet time of existence, unit value, and impact criteria	Keep the same
Home Energy Enhanced Squad Program	EDA General Fund	EDA and homeowner split cost of \$100 per visit	Center for Energy and Environment	All Brooklyn Park homeowners	Keep the same

Brooklyn Park Home Improvement Loan Program

The EDA currently offers low-interest home improvement financing to Brooklyn Park residents through the Brooklyn Park Home Improvement Loan Program. Eligible improvements include most interior or exterior improvements, maintenance or remodeling. Funds are held in a non-interest-bearing escrow account at CEE from loan closing until the work is completed and all final documentation is received and verified. This program provides eligible residents a loan amount of between \$5,000 and \$25,000 at a 5% fixed interest rate. The loan is repayable in a period of up to 15 years and is secured by a subordinate mortgage on the property.

Since the beginning of 2018, the program has closed on two loans totaling to \$40,166 (Table 2). These loans have served two residents in Brooklyn Park. The majority of home improvements consist of window replacements, bathroom and kitchen remodeling, flooring, plumbing, air conditioning and heating as well as siding.

Table 2 – Brooklyn Park Home Improvement Loan Program

Financial Year	Amount Loaned	Loans closed	Loans Pending	Beneficiaries Number
2018	\$40,166	2	12	2

The City and EDA established the Brooklyn Park Home Improvement Loan as a low-interest repayable loan using EDA funds. Loan utilization rates are low due to more popular programs offered by Minnesota Housing and CEE. The EDA budgets \$100,000-per-year for this revolving loan program.

The program is not intended to be the sole source of home rehabilitation funds available to Brooklyn Park homeowners but is designed to supplement existing loan programs available from Minnesota Housing Finance Agency (MHFA), the Center for Energy and Environment (CEE), and other housing resources or private lenders.

Brooklyn Park residents can also access Minnesota Housing and Center for Energy and Environment Loans through CEE (Table 3). The Minnesota Housing program allows homeowners to borrow funds for the same improvements as they could in the Brooklyn Park program. Minnesota Housing's program has the same loan-to-value ratio (LVR) of 110% as the City's program. As shown in the table below, most homeowners in Brooklyn Park are accessing the program offered by Minnesota Housing with the more generous interest rate of 4.99% and generous income restrictions. Similarly, it appears that more Brooklyn Park residents utilized the CEE Loans because there are no income limits attached when applying for the loan. The interest rate is 4.99% compared to Brooklyn Park's 5%. In the 2018 fiscal year, 12 Brooklyn Park residents utilized the Minnesota Housing and CEE Loans for their home improvement needs. The Brooklyn Park Loan Program can be more attractive to homeowners by revising the guidelines on the income restrictions, loan amount, number of bids and interest rates.

Table 3 - Brooklyn Park Loan Recipients in 2018

Funding Organization	Loans in Process	Loan Closed	Amount Disbursed
Brooklyn Park EDA	12	2	\$40,166
Minnesota Housing	3	6	\$102,204.61
Center for Energy and Environment (CEE)	3	6	\$89,309.46
Totals	18	14	\$231,680.07

Recommended Changes to the Brooklyn Park Loan Program

The EDA has a fund balance of \$780,000 in its Home Improvement Loan Fund and has expressed a desire to incentivize the use of these funds to encourage reinvestments in the City's housing stock.

After discussions with CEE staff and based on the inquiries from residents and the application process, staff recommends expanding this program to allow for sub-categories. This would increase the utilization rates by making it more attractive and affordable to homeowners.

Type 1: Standard Home Loan

Potential Terms

- **Loan Amount:** Revise the minimum amount to \$2,000 while increasing the maximum amount up to \$50,000.
- **Income Restrictions:** Remove income limits
- **Interest rate:** Reduce the rate by 1 percentage point from current program to 4% for households. A variation could be the prevailing prime rate less 2 percentage points.
- **Multiple Loans:** Allow more than one loan per household based upon the availability of funds and the homeowner's ability to qualify. Cap the total Brooklyn Park loan amount per household at \$50,000 maximum.
- **Bids:** Require only one (1) bid per project, with CEE providing guidance on reasonableness of price.

Type 2: Reduced Interest Rate for Income Qualified Households

Potential Terms

Same terms as Tier 1, with the following variation:

- **Interest rate:** 3% for households with income under 115% Area Median Income (AMI).

Type 3: Senior Deferred Loan

This loan type would incentivize Brooklyn Park seniors, aged 62 and above, to make improvements that would allow them to remain in their homes if they need to or to update their homes for a future sale. It is proposed as a deferred loan, forgivable after 10 years.

Potential Terms

Same terms as Tier 1, with the following variations:

- **Age Qualification:** 62 and older
- **Interest Rate:** 0%
- **Deferred/forgivable:** After 10 years

Type 4: Code Enforcement Deferred Loan

The intent of the Code Enforcement Deferred Loan would be to provide funds to owner-occupants of properties who face code enforcement violation home repairs and are unable to obtain funds to repair the problem(s) through other funding sources. The loan could be deferred until the property changes ownership or after a designated period. Staff would work with Code Enforcement staff and CEE to further define the qualification process for this type of loan.

Potential Terms

Same as Tier 1, with the following variations:

- **Qualification:** Requires city-issued code enforcement violation and inability to access other available programs.
- **Income Restrictions:** could be added
- **Interest Rate:** 0%
- **Deferred/forgivable:** After 10 years

Home Rehabilitation Deferred Loan Program - CDBG

Hennepin County administers this program using City of Brooklyn Park's allocated CDBG funds to provide deferred loans at 0% interest to qualifying homeowners (incomes not exceeding 80% of AMI) for home repairs (Table 4). The City created the program to address capital improvement needs affecting homeowners in Brooklyn Park. Qualifying homeowners receive between \$1,000 and \$15,000 as a deferred loan. Loans are generally issued between \$10,000 - \$15,000 per household, with the ability to loan up to \$20,000 if the need is present (upon an additional inspection).

Table 4 – Loan Activity in 2018

Funds committed & not yet spent	Funds Spent	Fund balance	Projects Started	Projects Completed	Clients Waiting
\$180,000	\$277,479	\$22,243	17	17	42

Emergency Assistance Deferred Loan Program:

The Emergency Assistance Deferred Loan Program provides 0% interest loans that require no monthly payment and are entirely forgiven if the borrower stays in the home for 10 years. The program is administered by Hennepin County and funded by Brooklyn Park's yearly allocation of CDBG dollars. The program is designed to help Brooklyn Park homeowners deal with emergency repairs only, thus ensuring safety and security of the residents' homes. Repairs may include defective furnaces, leaking roofs, plumbing problems and mold infestations. In the fiscal year 2018, the City of Brooklyn Park allocated \$124,000 of CDBG funds to the program.

Recommended Changes to the Home Rehabilitation/ Emergency Loan Programs

Based on the existing program guidelines, Hennepin County works to keep loans between \$1,000 to \$15,000 per-household to increase the ability to serve more residents. There's an additional \$5,000 in contingency funds in the event of severe structural damages in the property undergoing renovation. Hennepin County and Brooklyn Park staff coordinate closely on any additional contingency funds approval. This process may take up three (3) weeks to finalize thus delay the project. Hennepin County and Brooklyn Park EDA staff spend most this time in assisting the homeowner in prioritizing and evaluating critical improvements to their property with the limited budget. In the FY2018, six projects that were undergoing renovations requested the contingency fund approval in the amount of \$5,000 each.

After discussions between the Brooklyn Park EDA and Hennepin County staff, staff recommends the following changes that could increase the rehabilitation impact of this loan program on approved projects and streamline the process of administering the overall program requirements:

- **Loan Amount.** Increase the loan amount to \$25,000. Hennepin County rehabilitation staff describe that scoping and/or renovation activity often reveals unanticipated structural or water damage and having the ability to access more funds becomes important. Also, because of the large size of many of the homes in Brooklyn Park, even in the older neighborhoods, a single item like siding can cost \$17,000. For these reasons, many cities provide up to \$30,000 with their programs.
- **Multiple Loans:** Allow more than one loan per household based upon the availability of funds and the homeowner's ability to qualify. The current guidelines restrict the use of the program to only one time. Staff recommends the use of the loan program by homeowners one time for every ten (10) years, not to exceed \$50,000 in total outstanding balance.

Housing Improvement Areas/ Town Home Loan Program

The Housing Improvement Areas and Town Home Loan Program provide low interest loans to townhome associations in the City of Brooklyn Park. The loan amount awarded ranges from \$100,000 to \$500,000 repayable over 10 to 15 years period. The interest rate is adjusted annually and set at the same rate the city establishes for special assessment projects.

In 1996, the EDA obtained special state legislation and established its Town Home Loan Program for the purpose of assisting the renovation of qualifying town home communities in Brooklyn Park. In 2001, the State of Minnesota established a similar state-wide program, called the Housing Improvement Areas program. This program allows cities to establish "Housing Improvement Areas" (HIAs) to assist common interest communities, such as townhome associations.

The program has a mechanism for financing housing improvements and the costs of the improvements are paid in whole or in part from fees imposed (assessed to the units) within the area. Eligible applicants include town home associations that are requesting last resort financing for common area improvements. The town home association must include findings that without the housing improvement area, the proposed improvements could not be made by the associations or housing unit owners, and the HIA designation is needed to maintain and preserve the housing units within the housing improvement area. Outstanding loans include Broadway Park, The Landings and Town Edge Village West as shown below (Table 5).

Table 5 – Outstanding Townhome Loans

Town Home Association	Project Number	Loan Amount	Principal Payments	Outstanding Balance 2018
Broadway Park	EDA0234	\$95,726	\$75,963.79	\$19,762.19
The Landings	EDA0238	\$691,737	\$688,477.41	\$3,251.43
Town Edge Village West	EDA0340	\$551,484	\$380,410.87	\$171,073.37
Total Amount		\$1,338,947	\$1,144,852.07	\$194,086.99

Home Energy Enhanced Squad Program

The Home Energy Squad Enhanced program is administered by the Center for Energy and Environment (CEE) in partnership with Center Point Energy, Xcel Energy and Brooklyn Park EDA. The purpose of the program is to promote and sustain energy conservation solutions in residential homes in Brooklyn Park. Several cities in the Metro area region are participants in this program. This program benefits residents of Brooklyn Park including low to moderate income households and other City residents. Program participants pay a fee for CEE to conduct an energy audit which includes immediate improvements such as new high energy efficiency lightbulb replacements. The EDA's financial support in the form of a grant helps to reduce the out-of-pocket fee for program participants. Maintaining and sustaining the existence of this program will continue to provide resources to Brooklyn Park homeowners to make energy efficient improvements to their homes. These energy improvements will reduce occupancy and other homeownership costs.

Since January 1, 2018, CEE has spent \$12,390 and conducted 147 Home Energy Squad visits to help residents identify and implement energy savings solutions in their homes (Table 6). The energy saving costs helps to generate more disposable income for homeowners to invest in other areas of their homes. CEE offers two types of visits in the program: an Install visit and an Enhanced visit. The Install visit includes the direct install of energy-saving materials where possible, including high-efficiency showerheads, faucet aerators, door weather-stripping, a water heater blanket, programmable thermostats and compact florescent light bulbs. An Enhanced visit includes the direct installation of the energy saving materials and, additionally, a blower door test to check for possible air leaks, visual inspection of insulation levels, heating system and hot water heater combustion safety tests and a report to the resident on recommended energy upgrades (if resident is a renter, permission from the landlord is required for doing these additional diagnostic services). The program is funded using the EDA general funds, budgeted at \$25,000 annually.

Table 6 – Home Energy Squad Activity 2018

Program	Homes Served	Funds Spent	Funds Balance
Home Energy Squad Enhanced Visits	147	\$12,390	\$12,610

Ideas for New Programs

1. On-Bill Repayment Program

CEE is administering On-bill programs for the cities of St. Louis Park and Fridley and other cities are considering adding this option to their programs. On-billing programs are attractive because they make loans more accessible for some homeowners because homeowners do not need to manage a separate loan and because On-bill programs are typically easier to qualify for.

The EDA would provide the loan funds and homeowners would repay the loans through a monthly charge on their utility bill.

Potential terms:

- **Interest Rate:** 4% for households with income over 115% Area Median Income (AMI) and 3% for households with income equal to or less than 115% AMI
- **Loan Term:** 5 years
- **Loan Amount:** 1,000 - \$10,000
- **Multiple Loans:** More than one loan per household/property based upon the availability of funds and the borrower's ability to qualify. The cumulative outstanding balance cannot exceed \$10,000.
- **Income Limits:** No Income Limits, but the interest rate is determined by projected gross income and household size
- **Borrower:** Owner-occupied
- **Home Type:** Residential single family, townhomes, duplexes and fourplexes

2. Down Payment Assistance Program

Several cities provide down payment assistance programs as a strategy to make homes accessible to lower-income families. Programs typically are designed for first-time homebuyers or buyers who have not owned a home in the last 3 years. The program could be designed so that employees of Brooklyn Park businesses or organizations would be eligible for additional funds to encourage them to live where they work.

Potential Terms:

- **Loan amounts:** up to \$15,000. (Optional: Up to \$20,000 for employees of Brooklyn Park businesses and organizations.)
- **Rate:** 0%
- **Income limits:** 120% of AMI based on household size.
- **Term:** After 20 years, the loan is 100% forgiven. If the home is sold, transferred or no longer owner occupied 100% of the loan is due.
- **Other Costs:** Closing costs apply
- **Home Stretch Class:** Prior to closing the homebuyer(s) MUST attend a Home Stretch workshop or other valid homebuyers course offered through an approved counseling agency by the US Department of Housing and Urban Development (HUD).
- **Borrower:** Must be owner-occupied single-family homes, townhomes or condos
- **Price:** Purchase price cannot exceed Minnesota Housing first time homebuyer limits, currently at \$328,200.

Marketing Strategy

The Brooklyn Park EDA staff will work with all the program partners to implement an effective marketing strategy that will create awareness and promote the increased utilization of the housing programs in the community. In order to increase community awareness about the EDA's housing programs, staff will enhance the community outreach efforts by implementing the following existing strategies:

- **Website Marketing:** EDA and CEE staff will partner to improve the design of the housing programs content, with a focus on generating and distributing relevant and consistent information to attract new customers in the community. The housing programs information will be hosted on the City and CEE websites. Some of the details in the housing programs content will feature program qualifying criteria, contact information, pictures of completed projects, application forms and a link to accredited contractors.
- **Social Media Marketing:** Social media platforms like Facebook, Twitter, Instagram ads are low cost ways to target postings to residents, who will hopefully share the message with other members of the social media community and spread the word. Facebook offers comprehensive options for ad targeting, for example, such as the ability to target members that reside within a specific geographic radius. Social media platforms will create the capabilities for EDA and CEE staff to engage the target audience and develop interactive relationships with homeowners in Brooklyn Park.
- **Direct Mail and Brochures:** The EDA and CEE staff will deploy direct mail strategy to deliver promotional printed material to the target audience in Brooklyn Park. These materials will include brochures, catalogs, postcards, new connect bag, and park pages newsletter. These materials can be mailed on a quarterly basis to select homeowners in the community.
- **Posters and Flyers:** These materials can serve a more permanent and attention-grabbing way to reach a broad audience in the community. EDA and CEE staff will work jointly to design creative posters and flyers that can make a strong visual impression that leaves a long-lasting image in the minds of viewers.
- **Code Enforcement Staff:** The EDA staff will work diligently with the code enforcement division to disseminate relevant information to homeowners related to housing programs resources available at the City. The Code enforcement officials are frequently out in the community inspecting property and enforcing code related statutes. This gives the officials a unique opportunity to educate and pass on relevant information regarding the City's housing programs.

Attachments:

- 8.2A BROOKLYN PARK HOME IMPROVEMENT LOAN PROGRAM GUIDELINES
- 8.2B HOME REHABILITATION DEFERRED LOAN PROGRAM GUIDELINES
- 8.2C EMERGENCY ASSISTANCE DEFERRED LOAN PROGRAM GUIDELINES
- 8.2D HOUSING IMPROVEMENT AREAS /TOWN HOME LOAN PROGRAM GUIDELINES
- 8.2E BROOKLYN PARK HOMEOWNER PROGRAMS BROCHURES

Brooklyn Park Home Improvement Loan Program Guidelines

The City and EDA established the Brooklyn Park Home Improvement Loan as a low-interest repayable loan using EDA funds. Use rates are low due to more popular programs offered by Minnesota Housing. The EDA budgets \$100,000-per-year for this revolving loan program.

Program guidelines for the Brooklyn Park Home Improvement Loan:

1. **Loan Amount:** Loan amounts from \$5,000 to \$25,000.
1. **Amortization Type:** Monthly payment is required.
2. **Loan Term:** The loan term is up to 15-years.
3. **Interest Rate:** 5% fixed interest rate for borrowers making up-to-115% area median income (AMI).
4. **Loan-to-Value ratio:** 110%.
5. **Income Limit:** Borrowers must meet household income limits. Borrowers must not exceed incomes that are 115% of AMI for Hennepin County as defined by the United States Department of Housing and Urban Development (HUD). Incomes will be determined based on the applicant's Household adjusted gross income from the most recent year's Federal tax returns. For 2018, the HUD AMI Household income limits are:

Household Size	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
Maximum Household income	\$69,100	\$79,000	\$88,900	\$98,650	\$106,600	\$114,550	\$122,350	\$130,300

A Household is defined as all persons over 18-years of age living in the house which may include one or more families, a single person, a married couple, or two or more unrelated persons, or any combination thereof.

6. **Loan Security:** The loan will be secured with a subordinate mortgage in favor of the EDA.
7. **Credit Requirements:** No more than two 30-day late payments within the last six months on the credit report. 90-day lates (within the past 24 months) require reasonable explanation from the applicant. No bankruptcy records in the last 18 months. Current on mortgage payments and taxes. No outstanding judgements, defaulted government loans, collections, or liens that are tied to the property. Positive payments history and no minimum credit score.
8. **Debt-to-Income Ratio:** Maximum allowed is 50%

9. **Eligible Borrowers:** All borrowers must be legal residents of the United States, as evidenced by a social security number, including U.S. citizens, permanent resident aliens and non-permanent resident aliens. Individual Tax identification numbers are not acceptable.
10. **Eligible Properties:** All properties must be located within the geographical boundaries of the City of Brooklyn Park. Owner-occupied single family and owner-occupied duplex properties are eligible. Owner occupants of condominiums and townhouses will be eligible for this program if their individual unit's interior is not covered by the owner's association as stated in the association by laws. Properties held in a contract for deed are not eligible.
11. **Eligible Improvements:** Interior and exterior repairs and improvements are eligible. Center for Energy and Environment will perform a site visit and prioritize improvements based on code violations, visually observed safety and health concerns first, and then on homeowner preference. Center for Energy and Environment will perform an inspection of all completed improvements.
12. **Ineligible Improvements:** No saunas, whirlpools, furniture, skylights, non-built-in appliances, or funds for working capital, debt service or refinancing existing debts are allowed. Center for Energy and Environment will refer to City Staff whenever eligibility of an improvement project is questionable.
13. **Underwriting Decision:** Applicants must be current on all mortgage payments and property taxes. Borrower may not have any outstanding judgments, defaulted government loans, collections, or liens that are tied to the property, Center for Energy and Environment may approve or deny a loan based on a credit report or any other documentation received in connection with the application if Center for Energy and Environment determines the applicant does not meet program guidelines.
14. **Sweat Equity:** Work may be performed by property owners on a "sweat equity" basis. Loan funds may be used only for the purchase of materials. Loan funds cannot be used to rent tools or equipment or compensate for labor. Property owner will provide evidence to CEE that they have the ability to complete the work.
15. **Bids:** 2 contract bids required. All contractors must be properly licensed. Permits must be obtained where required by the City of Brooklyn Park.
16. **Loan Servicing:** Community Reinvestment Fund (CRF).

Brooklyn Park Home Rehabilitation Deferred Loan Program Guidelines

The City of Brooklyn Park Economic Development Authority (EDA) has made CDBG program income funds available to homeowners for interior home improvements to preserve and enhance the structural quality, livability and value of the community's housing stock. The Home Improvement Deferred Loan Program provides 0% interest loans that require no monthly payment and are entirely forgiven if the borrower owns and stays in the home for 10 years. Hennepin County will work to keep loans between \$10,000 to \$15,000 per-household to increase the ability to serve more residents. There will be an additional \$5,000 in contingency funds in the event of severe structural damages in the property undergoing renovation. Hennepin County and Brooklyn Park staff will coordinate closely on any additional contingency funds approval.

Terms of the Brooklyn Park EDA Deferred Loan Program

1. **Loan Amount:** Minimum loan amount of \$1,000 and maximum of \$15,000.
2. **Amortization Type:** Deferred. No monthly payment is required.
3. **Loan Term:** The loan term is 10 years.
4. **Deferment terms:** The loan is 100% forgiven if the borrower retains ownership in the home for 10-years, commencing at the Note date. If ownership is transferred or if the property is no longer the borrower's primary residence within 10 years from the Note date, the loan is due and payable.
5. **Interest Rate:** 0% for borrowers making 50% area median income (AMI) and less, 3% simple interest for borrowers making between 51% and 80% AMI
6. **Income Limit:** Borrowers must meet **household income limits**, as outlined in the chart below, which are based on 80% of HUDs area median income ("AMI") for Hennepin County. Income will be determined based on the adjusted gross income from the most recent years Federal tax returns as filed with the IRS for all persons living in the Household. For 2017 the figures are:

Household Size	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
Max HH Income	\$47,600	\$54,400	\$61,200	\$68,000	\$73,450	\$78,900	\$84,350	\$89,800

A Household is defined as all persons over 18-years of age living in the house which may include one or more families, a single person, a married couple, 2 or more unrelated persons, or any combination thereof.

7. **Loan Security:** The loan will be secured with a mortgage in favor of the City of Brooklyn Park EDA.
8. **Eligible Borrowers:** All borrowers must be legal residents of the United States, as evidenced by a social security number, including U.S. citizens, permanent resident aliens and non-permanent resident aliens. Tax identification numbers (TIN) are NOT acceptable.
9. **Ineligible Borrowers:** Include foreign nationals, non-occupant co-borrowers, properties held in the name of a trust, loans made to town home or condo associations, loans made in the name of a business, partnership, LLC, or similar.
10. **Eligible Properties:** All properties must be located within the geographical boundaries of the City of Brooklyn Park. Owner-occupied single family and owner-occupied duplex properties are eligible. Owner occupants of condominiums and townhouses will be eligible for this program if their individual unit's interior is not covered by the owner's association as stated in the association by laws. Properties held in a contract for deed are NOT eligible.
11. **Eligible Improvements:** Interior and some exterior repairs and improvements are eligible. HC will perform a site visit and prioritize improvements based on code violations, visually observed safety and health concerns first, and then on homeowner preference.
12. **Sweat Equity:** Work may be done on a sweat-equity basis if HC staff reasonably believes the homeowner has the ability to do the work in a workman-like manner within the program timeline. When the homeowner does the work, a materials list, including pricing is required. The receipt for the materials cannot be dated prior to 3/1/2016. Payment will be reimbursed for materials only: no equipment purchase or rental or homeowner/household member (or related party) labor is eligible.
13. **Ineligible Improvements:** No saunas, whirlpools, furniture, skylights, non-built-in appliances, or funds for working capital, debt service or refinancing existing debts are allowed. HC will refer to City Staff whenever eligibility of an improvement project is questionable.
14. **Multiple Loans per Borrower:** Eligible Borrowers may utilize the Program only one time
15. **Debt - to - Income Ratio:** None
16. **Loan - to - Value Ratio:** None
17. **Underwriting Decision:** Applicants must be current on all mortgage payments and property taxes. Borrower may not have any outstanding judgments, defaulted government loans, collections, or liens that are tied to the property, HC may approve or

deny a loan based on a credit report or any other documentation received in connection with the application.

18. **Timeline:** Project work may not begin until on or after 4/1/2016 and must be completed by 6/30/2017 (with final disbursement of loan proceeds PRIOR to 4/1/2016).
19. **Loan Servicing:** Hennepin County will be responsible for loan servicing. The Brooklyn Park Economic Development Authority will contract directly with Hennepin County for this loan servicing function.
20. **Source of funds:** The funding for this program comes from program income derived from previous CDBG programs offered by the City of Brooklyn Park.

General Program Conditions

Application Processing: Applications will be processed on a first-come, first-served basis until program funds are exhausted. Applicants must provide a completed application, and proof of income at the time of application.

Documentation Requirements:

City of Brooklyn Park, 1 page special "Deferred Loan" application
City of Brooklyn Park, Income verification/Eligibility form
Client Benefit Form
Most recent filed Federal tax return
Copy of social security cards for all household members
Lead form
SHPO or State Historic Preservation Office (for properties build before 1976)
Flood Certification
Ownership & Encumbrance Report
Credit Report

Start of Work: All borrowers must have their application approved by HC prior to beginning any work, and in any case, not before 3/1/2016. Project materials may not be purchased prior to this date nor can contractor(s) begin any work prior to 3/1/2016 or until the application has been approved by HC, whichever occurs later.

Work Completion: All work must be completed within 90 days of the loan closing, but in no case after 6/30/2017. Exceptions by Hennepin County may be allowed on a case-by-case basis.

Custody of Funds: Loan proceeds will remain in the custody of HC until the disbursement is made for completed work.

Disbursement Process: Payment to the contractor (or owner in sweat equity situations) will be made upon completion of work. In the event a permit is not required for the project, a post installation inspection will be performed by HC to verify the completion of the work. The following items must be received prior to final disbursement of funds:

1. Final invoice or proposal from contractor (or materials list from supplier)
2. Final approved inspection by designated City of Brooklyn Park employee (or HC if appropriate)
3. Completion certificate(s) signed by borrower and contractor
4. Lien waiver(s) for entire cost of work
5. Evidence that building permit(s) are closed

Total Project Cost: It is the borrower's responsibility to obtain the amount of funds necessary to finance the entire cost of the work. In the event the final invoice exceeds the original loan amount, the borrower must obtain the additional funds. Additional funds may come from the borrower's personal savings, bonafide gifts, or other non-Brooklyn Park program loans. HC can direct borrowers to additional financing sources.

Contractors/Permits: A minimum of 2 bids are required. All contractors must be properly licensed by the State of Minnesota when required. All required City permits must be obtained by the contractor. It is the contractor's responsibility to arrange all inspections and final approval by the City building department of all open permits

Loan Costs: The EDA will pay the Administration Fees and Loan Origination Funds to HC. Borrowers will pay all filing fees and related closing costs. Servicing costs will be paid from funds extraneous to this agreement.

Emergency Assistance Deferred Loan Program

1. **Loan Amount:** Minimum loan amount of \$1,000 and maximum of \$15,000.
2. **Interest Rate/Income Limit:** 0% interest and 80% AMI
3. **Loan Term:** Generally, one year per thousand dollars borrowed. The maximum term of the loan is 10 years. The loan is fully forgiven at the end of the term or due on sale before the end of the term.
4. **Eligible Properties:** All properties must be located within the geographical boundaries of the City of Brooklyn Park. Owner-occupied single family and owner-occupied duplex properties are eligible. The owner must be in good standing, up to date on taxes, and not behind on any payments or in any stage of the foreclosure process.
5. **Eligible Improvements:** Interior and exterior repairs and improvements are eligible. The repair must be deemed an emergency by city staff to qualify and has to threaten the health, safety, or structural integrity. Examples include: heating/cooling systems, plumbing, electrical work, windows, roof/foundation, water/mold, concrete/sidewalk, etc.

The improvement should remedy the situation immediately. This emergency assistance should not be a part of a larger project or long-term planning. More permanent financing should be sought.
6. **Ineligible Improvements:** No general rehabilitation or luxury items. Must have a life span of at least 7 years.
7. **Loan Servicing:** Hennepin County
8. **Referral:** Brooklyn Park Staff will make the direct referral to Hennepin County Staff.
9. Hennepin County Contact Person: Linda Tahri @612 348 8955 or email: linda.tahri@hennepin.us

City of Brooklyn Park

Housing Improvement Area (HIA): Overview and Application

A Housing Improvement Area (HIA) is a defined area within a city where housing improvements to Common Interest Communities, such as townhome associations, are made and the cost of the improvements are paid in whole or in part from fees imposed on the properties within the area.

- Basically, the Association borrows low interest money from the City;
- Permanent, common area improvements are completed; and
- Unit owners repay the loan through fees imposed on their properties, and collected with property tax payments.
- The City may establish an HIA within a Common Interest Community only at the request of the association.
- Improvements must be common area improvements such as siding, roofs, etc.
- Financing is available as “last resort” option for associations that cannot obtain other financing.
- Over 50% of the owners must sign a petition requesting the City Council hold a public hearing to consider implementing the HIA.
- Owners may veto the process if 45% of the owner’s object to the ordinance.
- The average market value for units must be at or less than the value of homes in the first time homebuyer programs, for 2018, this is \$328,200 based upon the Minnesota Housing cost limit for homes.

If your association is interested in learning more about this finance tool, please review the application procedure and policy and contact John Kinara, Housing and Redevelopment Specialist, at John.Kinara@brooklynpark.org or call 763-493-8054.

Eligible Applicants:

Eligible applicants include town home associations that are requesting last resort financing for common area improvements. The town home association must include findings that without the housing improvement area, the proposed improvements could not be made by the associations or housing unit owners, and the HIA designation is needed to maintain and preserve the housing units within the housing improvement area.

As a matter of adopted policy, the City will consider using HIA financing to assist private property owners only in those circumstances in which the proposed private projects address one or more of the following goals:

- a. Ensure stable neighborhoods through revitalization and upgrading of the existing housing stock in the neighborhood.
- b. Stabilize or increase the owner-occupancy level within a neighborhood or association.
- c. Increase or prevent the loss of the tax base of the City in order to ensure the long-term ability of the City to provide adequate services for its residents.

Eligible Improvements

1. Housing improvements may include improvements to common elements of a condominium or other common interest community. All work must be completed by licensed contractors and the City may require additional work to be completed based on City inspections. Improvements include, but are not limited to:
 - a. Siding, roofing, grading, driveways, decks, porches, exterior doors, public safety improvements, community building repairs and energy efficiency improvements.

- b. Comprehensive exterior improvements that enhance the overall architectural character and add value to an association.
- c. Projects that utilize Crime Prevention through Environmental Design (CPTED) guidelines, such as: installing improved lighting, improving landscaping to maximize visibility, installing perimeter fencing, and for the installation of surveillance cameras.

Payment and Fees

1. The association must provide a \$3,000 processing fee upon approval of the HIA.
2. The interest rate shall be adjusted annually and set at the same rate the city establishes for special assessment projects.
3. The minimum loan amount is \$100,000 and the maximum will be determined based upon availability of funds.
4. The term of the HIA should be the shortest term possible while still making the annual fee affordable to the association members. The Loan Term must not exceed ten years for projects less than \$500,000 or fifteen years for projects exceeding \$500,000.
5. The City will impose fees and collect payments along with the collection of property taxes

Application Procedure

1. Meet with EDA staff to discuss the scope of the project, application requirements, and timeline for project.
2. Complete the application for the establishment of a Housing Improvement Area. Submit application with required documents to the Project Facilitator for review.
3. The EDA staff will review the application and the feasibility of the project.
4. Staff will prepare a report for the City Council and the applicant; the report will contain a financial and legal analysis of the project. In addition, there will be a public hearing held on the establishment of the Housing Improvement Area. (1st Council Meeting, 1st reading of ordinance, 1st Public Hearing)
5. At the second City Council meeting, the HIA ordinance will have a second reading and the City Council will approve or deny the establishment of the HIA ordinance. There will also be a public hearing to establish the fees for the association. (2nd Council Meeting, 2nd reading of HIA ordinance, 2nd Public Hearing for fee establishment)
6. If the HIA is approved, the EDA will review the Development Agreement between the City and the Association. If approved, the Development Agreement will be executed subject to the successful passage of the veto period of 45 days. (If 45% or more of the owners file a written objection within the veto period, the City cannot establish the HIA). (1st EDA Meeting)
7. It is understood that City Staff or City Council may from time to time determine that a different process which is outlined is more appropriate, given the circumstances of each individual request.

City of Brooklyn Park Preliminary HIA Application

Legal Name of Association _____

Mailing Address _____

Name of Association Contact Person _____ Phone: _____

Name of Management Company/Agent _____

_____ Phone: _____

Location of the Project Site _____

Provide a description of the proposed project. Please include:

1. A general description of the project
2. A list of improvements and estimated project budget
3. The number of buildings and units
4. An explanation for why the Housing Improvement Area financing is necessary to undertake the project. Include any documentation regarding efforts to secure financing.

What is the anticipated loan amount? _____

How do you propose the fee to be charged to the property owners? (Select one)

1. Equally among all properties _____
2. Based on unit size, other: _____

Attach a copy of the following documents:

- _____ The Association Bylaws
- _____ Financial statements for the previous two years
- _____ A financial plan prepared by an independent third party that provides for the association to finance maintenance and operation of the common elements in the town home association and a long-range plan to conduct and finance future capital improvements
- _____ Evidence that the association has been in existence for 10 years
- _____ Evidence that the average market value is less than \$307,900
- _____ Signed petition documents from at least 50% of the owners

Please submit the preliminary HIA application to:

City of Brooklyn Park
Economic Development Division C/O John Kinara
5200 85th Ave N
Brooklyn Park, MN 55443

For questions or electronic document submission please contact John Kinara, Housing and Redevelopment Specialist, at John.Kinara@brooklynpark.org or 763-493-8054.



Housing Programs

Financial help for home improvements

The City of Brooklyn Park is dedicated to assisting homeowners and home buyers with grants, low interest loans, and connections to more resources. We have loan and grant programs available for your home improvements needs.

Emergency Assistance

Homeowners facing emergency repairs may qualify for assistance with a loan ranging from \$1,000 to \$15,000. These 0% interest loans require no monthly payments and are forgivable after 15 years of continued ownership and occupancy. Income restrictions apply.

Examples of eligible repairs: plumbing, electrical, mold, roofing, etc.

Home Rehab Deferred Loans

Homeowners planning improvements to the interior or exterior of their homes may qualify for a loan ranging from \$1,000 to \$15,000 at 0% interest. These loans require no monthly payments and are forgivable after 10 years of continued ownership and occupancy. Income restrictions apply.

Examples of eligible improvements: kitchen remodeling, bathroom upgrades, siding, etc.

Brooklyn Park Home Improvement Loans

This loan program can be used for improvements to the exterior and interior of homes. Loan amounts range from \$5,000 to \$25,000 at 5% interest. Monthly payments are required for 15 years. Income restrictions apply.

Examples of eligible improvements: energy efficiency upgrades, window replacement, flooring, etc.

Home Improvement Area Program

Townhome Associations looking to improve common interest areas may be interested in a loan from our Housing Improvement Area (HIA) Program. These low-interest loans range from \$100,000 to \$500,000 with maximum terms of 15 years and are repayable through association fees and property taxes.

Examples of eligible improvements: roofing, siding, energy efficiency upgrades, landscaping, etc.

Home Energy Squad Enhancements

Schedule a visit from a Home Energy Squad that instantly enhances energy efficiency with on-the-spot improvements. The squad will target light bulbs, faucet aerators, shower heads, thermostats, door weather stripping, and blower tests. Visits cost \$100, and the City will give homeowners a grant of \$50 towards the cost.

Want more information?

Contact John Kinara, Housing and Development Specialist
763-493-8054 john.kinara@brooklynpark.org



Brooklyn Park 
Unique. Unifed. Undiscovered.



Housing Services and Resources

Emergency housing services

Community Emergency Assistance Program (CEAP)

763-566-9600
www.ceap.com

Hennepin County

612-596-1300
www.co.hennepin.mn.us

North West Hennepin Human Services Council (NWHHSC)

763-503-2520
www.nwhhsc.org

Home rehabilitation loans

Center for Energy and Environment (CEE)

612-335-5858
www.mncee.org

Remodeled homes for sale

Brooklyn Park Economic Development Authority

763-488-6384
bpedahp@brooklynpark.org

Homebuyer assistance

Community Action Partnership of Hennepin County (CAPHC)

952-933-9639
www.caphennepin.org

Minnesota Housing Finance Agency

651-296-7608
www.mnhousing.gov

Homeownership Center

651-659-9336
www.hocmn.org

Home Stretch Homebuyer Class

Community Action Partnership of Hennepin County (CAPHC)

952-933-9639
www.caphennepin.org

PRG Inc

612-721-7556
www.prginc.org

African Development Center (ADC)

612-333-4772
www.adcminnesota.org

Credit counseling/ financial education

LSS Financial Counseling

651-642-5990
www.lssmn.org

African Development Center (ADC)

612-333-4772
www.adcminnesota.org

Affordable rental housing

Housing Link

612-522-2500
www.housinglink.org

Metro HRA – Section 8

651-602-1000
www.metrocouncil.org/housing/HRA/Sec8

Affordable homeownership

Brooklyn Park Housing Services

763-493-8054

Twin Cities Habitat for Humanity

612-331-1540
www.tchabitat.org

Other Housing Questions

Brooklyn Park Housing Services

763-493-8054

Brooklyn Park EDA

bpedahp@brooklynpark.org

Foreclosure Hotline

Community Action Partnership of Hennepin County (CAPHC)

952-933-1993

City of Brooklyn Park

EDA WORK SESSION

Agenda Item No:	8.3	Meeting Date:	February 18, 2019
Agenda Section:	EDA Work Session	Prepared By:	Erika Byrd, Economic Development Specialist; Breanne Rothstein, Economic Development and Housing Director
No. of Attachments	3	Presented By:	Kim Berggren, Community Development Director; Erika Byrd, Economic Development Specialist
Item:	Housing Policies, Programs and Strategies Update Overview		

Summary:

The purpose of this item is for staff to update the Brooklyn Park Economic Development Authority (EDA) and receive feedback on a number of housing items. This report also serves as a communication tool for City commissions and other stakeholders to share current activities on a range of housing initiatives.

HOUSING POLICY UPDATES

Evictions

HOME Line staff presented their report on Evictions in Brooklyn Park to the EDA at January 22 EDA meeting. EDA staff is exploring ways to support tenants, reduce evictions, and listen to stakeholders. In collaboration with Bennet Community Consulting and the Minnesota Multi-Family Housing Association, staff is planning a facilitated discussion with apartment owners and managers in March. Staff is also connecting with Dr. Brittney Lewis of the Center for Urban and Regional Affairs about looking at the qualitative data and story of those affected by evictions.

Fair Housing Policy

Starting in 2019, the Metropolitan Council is requiring that cities adopt a fair housing policy prior to the disbursement of any Livable Communities Demonstration Account funds. With support from Metropolitan Council, the Housing Justice Center created a best practices policy guide to fair housing, which can be found here: <https://metro council.org/Handbook/Files/Resources/Best-Practices/Fair-Housing-Policy-Guide.aspx>. The Housing Justice Center's model fair housing policy is attached at item 8.3A for reference. EDA staff is working with the City's Human Right's Commission (HRC) on the creation of a Fair Housing Policy based on the framework of this model. Staff introduced the topic at the January 17 HRC meeting and will continue the work with HRC over the next few months. Staff plans to bring a draft policy to the EDA in the second quarter of 2019.

Apartment Action Plan

On February 26, 2018, the City Council approved the Apartment Action Plan 2.0, a set of policies and procedures for supporting the long-term sustainability of the city's apartment communities. This updated document outlines actions the City should take around community engagement and communication, sustainability strategies, enforcement, and monitoring of apartment communities. Staff has focused its attention on implementing the actions outlined in the Apartment Action Plan over the past year and are working to bring a status update to the City Council soon.

Tenant Protection

Attached is a matrix of possible strategies and tools to advance affordable housing and tenant protections (item 8.3B). The EDA last reviewed these options at the at the November 2018 EDA work session. At the time, the EDA indicated they were interested in staff exploring a tenant protection ordinance similar to the ones being passed in Hennepin County. Attached for reference is Saint Louis Park's informational packet about their policy, which their council passed in April of 2018 (item 8.3C). This discussion on housing policy in Brooklyn Park will

provide staff with the opportunity to receive feedback from the EDA about interest in advancing this work and other policies.

Estimated Timeline of Planned Housing Policy Work

- February-March
 - Bring Apartment Action Plan 2.0 status update to City Council for discussion
 - Draft Fair Housing Policy in consultation with HRC
 - Hold facilitated discussion with landlord and apartment owner group around evictions
 - Convene discussion with community and social service groups around evictions
 - Develop plan for qualitative research into tenant experience of eviction in Brooklyn Park
- April -May
 - Continue stakeholder engagement around evictions
 - Bring fair housing policy to EDA
 - Bring tenant protection policy to EDA

BROOKLYN PARK HOMEOWNER PROGRAMS

The EDA administers several programs that provide financial resources to single-family and townhome for capital improvement repairs. During the February 19 EDA work session, staff will provide an update on these homeowner programs and receive feedback about potential changes that could be made to improve the programs.

APARTMENT REHABILITATION

The City is currently working with two apartment communities on apartment renovation projects. In addition, the EDA is rehabilitating its transitional housing facility.

- **Autumn Ridge Apartments**

The City has partnered with Sherman Associates at Autumn Ridge Apartments to assist them in the re-investment and rehabilitation of the property while maintaining long-term affordability. The EDA contributed a loan of \$1.2 million for contingency funding into the project. In addition, this project involved partnership with Metro Blooms and ACER, Inc. Sherman Associates made major building improvements and worked with Metro Blooms and City staff to develop a 5-year stormwater retrofit plan for the 17-acre site. Phase I of the landscaping project, which was completed in 2018, included the installation of 5 raingardens, two channel drains across two drive aprons on Boone Avenue, a native planting at the corner of Boone and 63rd, a permeable pavement by the mail boxes and new playground equipment. Rehabilitation work of all buildings is scheduled to be completed by summer 2019. Phase II of the landscaping project will begin this summer as well.

- **Brooks Landing and Brook Gardens**

The Minnesota Housing Finance Agency recently awarded funding in the amount of \$5.7 million toward the rehabilitation of Brooks Landing and Brook Gardens. A \$400,000 rehabilitation loan from the EDA and \$15 million in Housing Revenue Bonds sponsored by the City of Brooklyn Park will be used in the project as well. All the apartment units are covered by Section 8 project-based Housing Assistance Payment (HAP) contracts and will remain affordable after renovation. This rehabilitation project is slated to begin in 2019. Staff will be working with the owners on a resident engagement, communication, and construction plans.

- **Transitional Housing**

Since the mid-90s, the EDA has owned a 4-plex apartment property located at 7600 69th Avenue North that has operated as a transitional housing facility for families experiencing homelessness. The EDA undertook major project upgrades to the facility in 2018. A few items on the scope of work such as parking lot resurfacing, and swing set, picnic tables and bike rack installation are planned for 2019.

The EDA has several policies that guide its participation on apartment development and renovation including:

- 1) Apartment Livability Loans Policy, adopted September 12, 2011
- 2) Multi-Family Housing Assistance Policy, adopted September 12, 2011
- 3) Multi-Family Housing Community Outreach Policy, adopted December 17, 2012
- 4) Senior Economic Assistance for Greenfield Sites Policy, adopted February 24, 2000
- 5) Senior Economic Assistance for Redevelopment Sites Policy, adopted February 24, 2000

Several of these policies are several years old and staff recommends that the EDA revisit them later this year. At that time the EDA could consider adding language that would highlight the importance proactively supporting tenants' rights and communicating with renters.

PROPOSED NEW APARTMENTS

In November 2018, President McDonald from North Hennepin Community College (NHCC) presented on NHCC's interest in selling a parcel of its campus for an affordable or mixed-income housing development that would be available to (but not exclusively) students. The EDA indicated general support for a project that would support student success in the community. NHCC is in the process of working through the Minnesota State College System's process for offering the site for sale to the City and other governmental entities prior to offering it for sale to a broader audience of housing developers. The City expressed an interest in a small corner of the site to use for a future underground well.

Several other developers have recently expressed interest in building apartments in Brooklyn Park, including on EDA-owned sites. Several of these possible projects would ask the EDA for financial assistance. Staff is planning a work session discussion with the EDA at its March meeting to get direction from the board on its interest in supporting apartment development at various sites in the community.

OTHER HOUSING ACTIVITY

Housing for All

Housing for All hosted its third annual Legislative Breakfast on Wednesday, January 23 from 7 to 9 a.m. at St. Joseph the Worker Catholic Church in Maple Grove. The residents of Northwest Hennepin County were invited to this free event to discuss housing needs with legislators and local policy makers. Council Members Jacobson and West-Hafner and Director of Community Development Kim Berggren attended. Council Member Jacobson spoke about the work Brooklyn Park has been doing to create housing opportunities for all.

Housing Collaborative Institute

Erika Byrd attended the Housing Collaborative Institute (HCI) meeting on February 4th. This month's topic focused on landlord and tenant supports. Participants heard about tenant protection policy from Brooklyn Center. HousingLink, Metropolitan Council HRA, and HOME Line also discussed their work and the support services they provide. Twin Cities LISC hosts the monthly HCI meetings that bring together regional housing professionals to discuss housing issues and best practices

Brooklyn Park Realtor Forum

The 27th Annual Brooklyn Park Realtor Forum was held on Thursday February 14 at Edinburgh USA. This year's event urged attendees to "Fall in Love with Brooklyn Park". Over 100 local real estate professionals were present. The keynote address featured presentations about Brooklyn Park's demographic trends and the state of housing values in the northwestern suburbs. This event was conducted in consultation with the Minnesota Department of Commerce and eligible attendees were able to earn up to four continuing education credits.

Attachments

- 8.3A HOUSING JUSTICE CENTER'S MODEL FAIR HOUSING POLICY
- 8.3B HOUSING STRATEGIES AND TOOLS
- 8.3C SAINT LOUIS PARK'S TENANT PROTECTION ORDINANCE PACKET

City of Sweetwater, Minnesota Fair Housing Policy

1. Purpose/Vision

Title VIII of the Civil Rights Act establishes federal policy for providing fair housing throughout the United States. The intent of Title VIII is to assure equal housing opportunities for all citizens. Furthermore, the City of Sweetwater, as a recipient of federal community development funds under Title I of the Housing and Community Development Act of 1974, is obligated to certify that it will affirmatively further fair housing.

The City of Sweetwater is committed to meeting this obligation, and has developed this Fair Housing Policy to further that goal.

2. Fair Housing Policy Statement

It is the policy and commitment of the City of Sweetwater to ensure that fair and equal housing opportunities are granted to all persons in all housing opportunities and development activities funded by the city regardless of race, color, religion, gender, sexual orientation, marital status, status with regard to public assistance, familial status, national origin, or disability. This shall be done through strong external policies that provide meaningful access to all constituents and fair housing informational and referral services; and internal practices and procedures do not discriminate and that affirmatively further fair housing.

3. External Practices

a. Fair Housing Officer

The City of Sweetwater has designated the following person as the Fair Housing Officer for the City.

Created through funding from the Metropolitan Council

Name

Contact Information

The Fair Housing Officer will be responsible for the intake, processing, and referral of all fair housing complaints. While not expected to be an “expert” in fair housing laws, at a minimum the Officer will be familiar with state and federal fair housing laws, the complaint process for filing discrimination complaints, and the state and federal agencies that handle complaints.

Records showing the date, time and nature of the fair housing complaint, as well as the decisions made regarding the complaint process (referrals, information given, etc.) and any follow up action will be fully documented.

The Fair Housing Officer will also monitor city activities affecting fair housing and raise issues and concerns where appropriate.

b. Meaningful Access

- i. Online Information. The City of Sweetwater will have information about fair housing and its fair housing officer prominently displayed on its website. The website will also have links to various fair housing resources, including the Department of Housing and Urban Development, Minnesota Department of Human Rights, Mid-Minnesota Legal Aid, Southern Minnesota Regional Legal Services, and others. The website will also link to state and federal fair housing complaint forms. In addition, the City will post the following policies:
 - ii. Reasonable Accommodation Policy
 - iii. LEP Policy
 - iv. ADA Policy regarding access to city services
 - v. The State of Minnesota’s Olmstead Plan

- c. **In-Person Information.** The City of Sweetwater will provide fair housing information to anyone requesting such information at the city offices.

Information provided will include:

- i. A list of fair housing enforcement agencies
- ii. A FAQ of Fair Housing Law
- iii. Fair Housing Complaint Forms

- d. **Languages.** The City of Sweetwater is committed to providing information in the native language of its residents. Therefore, the City of Sweetwater will have the information listed in 4b above in the top four languages most frequently encountered in the city, other than English. Material in other languages can be requested and handled on an individual basis.

4. **Internal Practices**

The City of Sweetwater commits to the following steps to promote awareness and sensitivity to fair housing issues in all of its government functions.

- a. **Staff Training** - the city will regularly train its staff and elected officials on fair housing considerations, including working with people with disabilities and limited English proficiency constituents. The following departments will receive annual training:
- b. **Housing Analysis** - the City will review its housing inventory every three years to examine the affordability of both rental and owner-occupied housing and whether all reasonable actions have been taken to remove barriers to ensure adequate housing choice for all city residents.
- c. **Code Analysis** - the City will review its municipal code every three years, with specific focus on ordinances related to zoning, building and occupancy standards, to identify any potential for disparate impact or disparate treatment.

- d. Project Planning and Analysis** - the City will make determinations in project planning with an eye to fair housing issues, including whether potential projects may perpetuate segregation or lead to displacement of protected classes.
- e. Community Engagement** - The City commits to ongoing community engagement. Specifically, the City commits to robust conversations with community regarding potential housing projects, zoning changes, and other land use planning decisions.
- f. Affirmatively Furthering Fair Housing** - As a recipient of federal funds, the City agrees to participate in the Regional Analysis of Impediments, as organized by the regional Fair Housing Implementation Council. The City will integrate the recommendations and action plan into city planning documents, including the Consolidated Plan, the Comprehensive Plan, and other applicable documents.
- g. Additional Policies** - The City adopts the following policies to inform its work:

 - 1. LEP Policy (attached)
 - 2. ADA Policy (attached)

The City of Sweetwater will review, revise if necessary, and adopt annually the Fair Housing Statement and the Fair Housing Plan.

HOUSING STRATEGIES & TOOLS FOR THE CITY OF BROOKLYN PARK

Tools	Description	Opportunities	Challenges	Hennepin County Cities Considering/Doing
Identification of affordable housing buildings; Document the problem	There should be an organized effort to track the most significant examples of affordable housing and its loss as well as to identify buildings as soon as they come on the market (if possible before that). The City can also do a housing study that will identify the housing inventory and at-risk properties.	Brooklyn Park is at great risk given the high percentage of naturally occurring affordable housing (NOAH). Identifying the multi-family housing in Brooklyn Park and documenting the problem gives the City more knowledge and ability to craft a strategic, outcome-oriented approach.		Several cities have been doing housing studies and research on their housing inventory, particularly as part of 2040 Comprehensive Plans.
Advance Notice Period	The City must be given advanced notice prior to the sale of any building.	A Notice Period will give the City more time to approach a preservation buyer to rehab the property and prevent displacement. In addition, the City can give service providers advanced notice in order to support tenants.	Strong push back from developers and real estate industry <u>New policy in region. Minneapolis policy does not become effective until April 2019, so no history of impact, monitoring, and enforcement yet.</u>	<u>Several cities have included post-sale notification requirements as part of tenant protection policies.</u> <u>Minneapolis was the first to pass an advance notice policy in Nov 2018 that requires owners of certain affordable multifamily properties to give 60-day notice prior to making the property available for sale. Tenant protection policies were included in the Minneapolis ordinance as well.</u>
Tenant Protection Ordinance	Requires new owners of affordable multifamily buildings to notify tenants about ownership changes. The landlord will have to pay relocation fees for tenants displaced by any changes made within the first three months of new ownership. Owners who don't comply could be cited and required to pay a penalty that would go toward the displaced tenants.	Gives lower-income tenants more time and resources to find somewhere else to live. May have cross-sector support. The St Louis Park, ordinance was recommended by a workgroup that included MN Multi-Housing Association, the local rental community, and affordable housing advocates.	Developers and owners want cities to work together to find consistent regional solutions, rather than adopting a patchwork of different regulations that are confusing and burdensome. Relatively new policy in the region so limited experience around enforcement	Several Cities passed versions in 2018 including Saint Louis Park, Golden Valley, Bloomington, Richfield, and Minneapolis. <u>Brooklyn Center passed an ordinance in January 2019</u>

HOUSING STRATEGIES & TOOLS FOR THE CITY OF BROOKLYN PARK

Tools	Description	Opportunities	Challenges	Hennepin County Cities Considering/Doing
<i>Help preservation buyers to buy at risk buildings</i>	Several non-profit housing providers are actively competing in the market for properties but are disadvantaged in competing against for-profit purchasers on price and timing with the complex financial process. Cities can help notify preservation buyers when they know properties will be up for sale. Cities can also help with funding (examples include low or zero interest loans and fee reduction programs)	Preservation buyers will keep the rents affordable while enhancing the property and reducing displacement.	Preservation buyers often need at least a 90-day notice prior to the property being listed on the market in order to put together a competitive bid.	Many cities have relationships with preservation buyers, and there is frequent communication. NOAH Impact Fund to assist eligible preservation buyers with acquisition available through Hennepin County and Greater MN Housing Fund, Minneapolis has NOAH Preservation Fund
<i>Right of First Refusal</i>	When owners offer their buildings for sale, they would be required to notify tenants and the designated unit of government. Tenants or the government unit would then have a defined period of time to match the essential terms of the offer (price, timeline, etc.). If they are able to do so, they have the right to purchase the building themselves.	Can prevents tenant displacement and help a preservation buyer be competitive.	It can be hard to anticipate where these purchase opportunities will materialize, making it difficult to know where to push for local ordinances. Could get complicated determining what the offer's "essential terms" are.	Minnesota has a ROFR for manufactured home parks.
<i>Local programs offering rehab financing in return for affordability commitments</i>	Many cities, like Brooklyn Park, have a supply of aging complexes that have deferred maintenance. Many managers of these complexes cite the costs of improvements as a reason to either 1) not make improvements or 2) increase the rents once improvements are made. Municipalities could offer rehab financing (low interest loans, forgivable grants) with commitments to maintain affordability over a set period of time.	Preserves affordable housing units in the City as well as making the property safe for residents and updated	Administration of the financing (could be done in conjunction with a local nonprofit), funds for the financing.	Many Cities have programs. Bloomington is using HRA levy to put \$50,000/year in a NOAH preservation fund. Minneapolis has an Affordable Housing Trust Fund for production and preservation projects. Richfield adopted building permit fee reduction guidelines in 2018 to incentivize new affordable housing construction and/or the rehab of existing housing and is piloting a forgivable loan program for rehab of existing affordable housing. Brooklyn Park currently supporting financing for affordable housing rehab projects.

HOUSING STRATEGIES & TOOLS FOR THE CITY OF BROOKLYN PARK

Tools	Description	Opportunities	Challenges	Hennepin County Cities Considering/Doing
<i>4d Property Tax Program</i>	This is essentially a tax credit given to housing providers who receive a government subsidy, and in exchange provide a percentage of their units at affordable levels (60%/50% AMI) for a set period of time. This is a program was once funded at the state level, but state-level funding has dried up; however, the statute allows for “local subsidies.”	Increases the number of new affordable housing units in the city or incentivizes landlords to continue to offer affordable units.	Providing the pot of money for developers to tap into; the program is voluntary. Some NOAH property owners could receive 4d credits, but rents would have remained affordable without any incentive due to housing market conditions.	4D Affordable Housing Incentive Program piloted in Minneapolis in 2018.
<i>Prohibition of Section 8 Discrimination</i>	Some properties do not accept Housing Choice Vouchers. This ordinance would say that properties cannot exclude applicants simply because they use a rent subsidy.	Voucher holders would not lose housing every time a building changes policies and practices. More housing options would be available to voucher holders.	Oftentimes the challenge will be to lessen the administrative burden on landlords participating in the HCV program. Potential lawsuits and legal challenges.	Minneapolis adopted an ordinance in 2018 that has been struck down in court.
<i>Just Cause Eviction</i>	Just Cause Eviction policy protects tenants from eviction for improper reasons as well as prevents involuntary displacement through lease non-renewals or notices to vacate. Allows landlords to evict a tenant only for certain reasons, such as failure to pay rent or for violation of the lease terms. As an example, what we saw at Crossroads in Richfield could also happen in Brooklyn Park, where the new screening criteria was the reason many tenants’ leases were not renewed. Just Cause would allow these renters to continue living there until they break a condition of their new lease. It can be tied in with rental licensing.	Prevents involuntary displacement and protects tenants from eviction without a proper reason.	Resistance from property owners. Would be new to Minnesota, so ordinances could face legal challenges (though preliminary legal review by housing groups indicate proposed ordinances would not conflict with state law)	Councils of St. Louis Park and Minneapolis are interested and looking into it.

HOUSING STRATEGIES & TOOLS FOR THE CITY OF BROOKLYN PARK

Tools	Description	Opportunities	Challenges	Hennepin County Cities Considering/Doing
<i>Incentives to address landlord concerns about renting to certain groups of tenants</i>	Risk Mitigation Fund is oftentimes associated with the Housing Choice Voucher program. This Fund can be created as a response to the extremely low vacancy rate and the disparity between cost of living and wages. It serves as a damage fund to supplement costs the security deposit does not fulfill. It also has been offered as short-term vacancy reimbursement.	<p>Incentivizes landlords to participate in voucher programs, providing voucher holders with more access to housing options.</p> <p>Provides insurance to landlords for any monetary losses from potential damage to property.</p>	Funding the RMF; perpetuating stigma that voucher holders cause more damage (no evidence to support this)	Minneapolis HRA, Metro HRA, Dakota County CDA; many other models across metro area and Minnesota.
<i>Inclusionary Housing</i>	This policy would ensure that with every development that happens, there would be an inclusion of affordable housing. It also can be applied to rehabbed developments.	Increases the number of new affordable housing units in the City.	Only applies to new construction, therefore not addressing the need to preserve and maintain NOAH properties. Some cities allow dedication of funds to future affordable housing production	<p>Brooklyn Park passed a mixed income policy in 2017 that applies to new market-rate residential development with 10+ units that receive a Comprehensive Plan amendment, zoning code or zoning map amendment, approval pursuant to a Planned Unit Development, or financial Assistance from the City or EDA.</p> <p>A variety of other policies exist in the region including St. Louis Park, Golden Valley, and Edina</p>
<i>Increasing local government leverage through zoning</i>	Brooklyn Park could structure its zoning so as to prevent an owner engaging in conversion actions from doing so before obtaining the city's zoning related approval.	Provides the City of Brooklyn Park with more leverage to intervene.		

HOUSING STRATEGIES & TOOLS FOR THE CITY OF BROOKLYN PARK

Tools	Description	Opportunities	Challenges	Hennepin County Cities Considering/Doing
<i>Rental assistance</i>	51% of Brooklyn Park households are cost burdened (ACS 2015). Rental assistance would lessen the burden by supplementing income, so housing costs are no more than 30% of income.	Residents would be able to afford housing costs without sacrificing other basic needs.	It is costly and potentially unsustainable. As rent increases, rental assistance is insufficient and cannot serve as many households.	Hennepin County and a number of regional cities have existing programs. Richfield launched Kids @ Home rent assistance program in 2018. New “Stable Homes, Stable Schools” pilot program launched in Minneapolis in 2018.
<i>Comp Plan: Include strong language and solutions regarding affordable housing</i>	As Brooklyn Park completes its Comprehensive Plan, ensures that the Plan has detailed solutions with strong language around the preservation of naturally occurring affordable housing. This plan will guide the City’s housing efforts in the next 10 years.	Strong language can positively guide the City’s housing efforts in the next ten years.		All metro communities are required to update their comp plans by 2018



Experience LIFE in the Park

Tenant Protection Ordinance Packet

St. Louis Park City Council adopted an ordinance enacting a tenant protection period following the sale of an affordable housing building, with the goal of protecting lower-income tenants in the city. The tenant protection ordinance was recommended by a city-convened workgroup that includes representatives from MN Multi-Housing Association, the St. Louis Park rental community and representatives from agencies advocating for the preservation of naturally occurring affordable housing (NOAH).

Under the ordinance, new owners of affordable housing would be required to pay relocation benefits to tenants if the owner increases the rent, re-screens existing residents or implements non-renewals of leases without cause, within a three-month period following the ownership transfer of the property and the tenant chooses to move due to these actions.

NOAH properties are defined as buildings where at least 18% of the units have rents affordable to households with incomes at or below 60% Area Median Income (AMI); the 18% mirrors the percent of affordable housing required at 60% AMI by the city's Inclusionary Housing Policy.

The ordinance will take effect July 1, 2018.

This Tenant Protection Ordinance packet includes the following:

- Ordinance
- Frequently Asked Questions
- Draft tenant letters
- Resources for tenants
- Affordable Rent Table (see below): The City of St. Louis Park uses the Housing and Urban Development (HUD) Affordable Rent limits which are updated annually, typically in March or April. Current rent limits will be posted on the city website.

<i>2018 Rental Housing</i>	
# Bedrooms	60% AMI
Efficiency	\$991
1 Bedroom	\$1,062
2 Bedrooms	\$1,273
3 Bedrooms	\$1,471
4 Bedroom	\$1,640

As the owner of a multi-family rental property, it is your responsibility to understand the requirements set forth in the ordinance. If you are selling your property, you can request a copy of this packet or download it at www.stlouispark.org/government/departments-divisions/housing. Contact Housing Supervisor Michele Schnitker, mschnitker@stlouispark.org, 952.924.2571 with any questions.

ORDINANCE NO. 2534-18

**CITY OF ST. LOUIS PARK
HENNEPIN COUNTY, MINNESOTA**

**AN ORDINANCE RELATING TO
AFFORDABLE HOUSING**

THE CITY OF ST. LOUIS PARK DOES ORDAIN:

SECTION 1. The St. Louis Park City Code is amended by adding Chapter 8, Section 8-336 as follows:

Sec. 8-336. Sale of Affordable Housing Building

(a) Definitions. The following definitions apply in this Section of this Code. References to “Section” are unless otherwise specified, references to this Section of this Code. Defined terms remain defined terms, whether or not capitalized.

- (1) *Affordable housing building* means a multifamily rental housing building having three or more housing units, where at least 18% of the units rent for an amount that is affordable to households at or below 60 percent of area median income, as median income was most recently determined by the United States Department of Housing and Urban Development for the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin Metropolitan Statistical Area, as adjusted for household size and number of bedrooms.
- (2) *Affordable housing unit* means a rental unit in an affordable housing building that rents for an amount that is affordable to households at or below 60 percent of area median income, as median income was most recently determined by the United States Department of Housing and Urban Development for the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin Metropolitan Statistical Area, as adjusted for household size and number of bedrooms.
- (3) *Cause* means the tenant or a member of the tenant’s household materially violated a term of the lease or violated a provision of the City’s Rental Housing Ordinance, City Code Section 8-331 Crime Free/Drug Free and Disorderly Use Lease Requirements.
- (4) *Tenant protection period* means the period that commences on the date when a real estate closing transfers ownership of an affordable housing building and runs through the end of the 3 calendar months following the month in which written notice of the transfer is sent to each affordable housing unit tenant pursuant to subpart (c) of this Section.

(b) Relocation Assistance

- (1) If during the tenant protection period the new owner of an affordable housing building terminates or refuses to renew any affordable housing unit tenant's rental agreement without cause, then upon terminating or refusing to renew the tenant's lease, the new owner shall pay to the tenant, as relocation assistance, no later than the day upon which the tenant vacates the unit, a payment in the amount as follows: \$2,600 for a studio or single room occupancy dwelling unit, \$3,000 for a one-bedroom dwelling unit, \$3,600 for a two-bedroom dwelling unit, and \$4,100 for a three-bedroom or larger dwelling unit.
 - (2) During the tenant protection period if a rent increase goes into effect on any affordable housing unit, or the new owner of an affordable housing building raises any affordable housing unit tenant's rent, or rescreens an existing affordable housing unit tenant, and the tenant gives written notice to the new owner to terminate the rental agreement, the new owner, shall within 30 days of receiving tenant's written notice of termination of the rental agreement, pay to the tenant as relocation assistance, a payment in the amount as follows: \$2,600 for a studio or single room occupancy dwelling unit, \$3,000 for a one-bedroom dwelling unit, \$3,600 for a two-bedroom dwelling unit, and \$4,100 for a three-bedroom or larger dwelling unit.
- (c) Notice. Whenever ownership of an affordable housing building shall transfer, the new owner shall, within thirty (30) days of the date on which a real estate closing transfers ownership of the affordable housing building, give written notice to each affordable housing unit tenant of the building that the property is under new ownership stating:
- (1) The name, mailing address, and telephone number of the new owner.
 - (2) St. Louis Park City Code Section 8-336 provides for a tenant protection period for affordable housing unit tenants. Under Section 8-336, affordable housing unit tenants may be entitled to relocation assistance from the new owner if the new owner terminates or does not renew the tenant's rental agreement without cause within the tenant protection period. Affordable housing unit tenants may also be entitled to relocation assistance from the new owner if the owner raises the rent or initiates a tenant rescreening process within the tenant protection period and the tenant terminates their rental agreement.
 - (3) Whether there will be any rent increase within the tenant protection period with the amount of the rent increase and the date the rent increase will take effect.
 - (4) Whether the new owner will require existing affordable housing unit tenants to be rescreened to determine compliance with existing or modified residency screening criteria during the tenant protection period and if so, a copy of the screening criteria.
 - (5) Whether the new owner will terminate or not renew rental agreements without cause during the tenant protection period and if so, notice to the affected affordable housing

unit tenants whose rental agreements will terminate and the date the rental agreements will terminate.

- (6) Whether the new owner intends to increase rent, require existing affordable housing unit tenants to be rescreened to determine compliance with existing or modified residency screening criteria, or terminate or not renew affordable housing unit rental agreements without cause on the day immediately following the tenant protection period.

The new owner shall provide a copy of the notice required by this part to the city at the same time notice is provided to the tenants. The new owner of an affordable housing building shall not terminate or not renew a tenant's rental agreement without cause, raise rent, or rescreen existing tenants during the tenant protection period without giving the notice required by this part.

(d) Penalty.

- (1) A violation of subpart (b) of this Section is an administrative offense that may be subject to an administrative citation and civil penalties as provided in City Code Section 1-14. Notwithstanding any provision of City Code Section 1-14, the penalty for a violation of subpart (b) of this Section shall be the sum of the applicable amount of relocation assistance plus \$500.

- (2) A violation of subpart (c) of this Section is an administrative offense that may be subject to an administrative citation and civil penalties as provided in City Code Section 1-14.

- (3) A violation of this ordinance as to each dwelling unit shall constitute a separate offense.

- (e) Within thirty (30) days after a person pays the penalty provided for in subpart (d) (1) of this Section to the city, the city shall pay to the displaced tenant of the affordable housing unit for which the violation occurred an amount equal to the relocation assistance provided for in subpart (b) of this Section.

SECTION 3. This Ordinance shall take effect July 1, 2018 and expire on July 1, 2023.

ADOPTED this _____ day of _____, 2018, by the City Council of the City of St. Louis Park.

Public Hearing	March 5, 2018
First Reading	March 5, 2018
Second Reading	April 16, 2018
Date of Publication	April 26, 2018
Date Ordinance takes effect	July 1, 2018

Ordinance No. 2534-18

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Reviewed for Administration

Adopted by City Council

Thomas K. Harmening, City Manager

Jake Spano, Mayor

Attest:

Approved as to Form and Execution:

Melissa Kennedy, City Clerk

Soren Mattick, City Attorney

St. Louis Park Tenant Protection Ordinance Frequently Asked Questions

1. What is the Tenant Protection Ordinance?

The Tenant Protection Ordinance requires a three month period following the ownership transfer of a Naturally Occurring Affordable Housing (NOAH) multi-family residential property in which the new owner is required to pay relocation benefits to tenants if the new owner increases the rent, rescreens existing residents or implements non-renewals without cause and the tenant chooses to move during this period.
2. Why was this ordinance adopted by the City of St. Louis Park?

The proposed ordinance reflects the city's priorities and goals to promote and facilitate a balanced and enduring housing stock that offers a continuum of diverse life-cycle housing choices including the preservation of naturally occurring affordable housing. The city is concerned about displacement of low income tenants residing in NOAH properties that have been sold to a new owner.

The ordinance allows for a three month period of time for residents to work with housing support resources and seek alternative housing if they are facing unaffordable rent increases, new screening criteria requirements, or a thirty day non-renewal without cause notice to vacate. The ordinance also requires the new owner of an affordable housing building to provide notice of the ordinance protections to tenants of affordable housing units within 30 days of the sale of an affordable housing building.
3. When does the ordinance apply?

The ordinance applies when there is an ownership transfer of a NOAH property.
4. How do I know if my building qualifies as a NOAH property?

NOAH is an abbreviation for Naturally Occurring Affordable Housing. NOAH properties are defined as buildings where at least 18% of the units have rents affordable to households with incomes at or below 60% Area Medium Income (AMI).
5. Does a transfer of sale include an ownership transfer to an immediate family member? Or as the result of inheritance?

If it is an actual transfer of ownership title that was not previously in place, it would be considered a sale and the ordinance would apply.
6. Would the policy apply to bank owned or foreclosed properties?

Yes, all multifamily residential properties transferring ownership through the sale of the property that meet the definition of a NOAH property would be required to comply with the ordinance. For a foreclosed property, the three month notification period will begin when the redemption period has expired and the new owner has taken possession of the property.
7. Does the ordinance apply to only the residents residing in the property's NOAH units or to all units in the building?

NOAH rental units only.

Experience LIFE in the Park

8. How will NOAH properties be identified? How will affordable rents be established?
As part of the annual rental licensing process for multi-family buildings, owners will be asked to list the number of units and the number of affordable units in a property. If the rents charged for at least 18% of the units are at or below rent amounts affordable to households with incomes at 60% AMI or below, the building is certified as a NOAH property. A similar certification will be included in the Point of Sale application for a property maintenance inspection which must occur prior to the sale of the property.
9. Since the current definition of the ordinance is based on the percentage of affordable units required in the Inclusionary Policy, if the policy is amended, would the ordinance be amended to conform to the policy?
The ordinance can be amended but it will not automatically be amended to coincide with the Inclusionary Policy. Each amendment would require separate actions by the council to amend the current ordinance/policy.
10. What is my responsibility as a seller?
It is the responsibility of the seller to identify their property as a NOAH property at the time they submit their application for the Point of Sale inspection. Sellers should make sure that the potential buyers are aware of the ordinance either directly or through their broker.
11. I'm buying a NOAH building – what is my responsibility?
If the property meets the definition of a NOAH property, the new owner is required to comply with the requirements of the Tenant Protection Ordinance.
12. Who needs to be notified?
For properties in which the ownership is transferring and the property meets the definition of a NOAH property, the new owner must comply with the requirements of the Tenant Protection Notice including notification to all tenants residing in NOAH units.
13. Where can I find the 60% Area Medium Income (AMI) rent limits?
Current rent levels can be found on the City's web page.
14. Can I raise rents, facilitate non-renewals without cause or re-screen existing residents during the three month protection period following the transfer in ownership?
Yes, this ordinance does not prohibit a new owner from taking the actions listed above; however, the owner would be required to pay resident relocation benefits if they do take any of those actions during the 3 month tenant protection period following the transfer in ownership.
15. When does the new owner have to provide relocation benefits?
A new owner is required to pay relocation benefits to tenants if the rent is increased, existing residents are rescreened or non-renewals are implemented without cause and the tenant chooses to move during this period during the three month tenant protection period.
16. Where can I find the required relocation benefit payment amount?
Current amounts can be found on the City's web page.

17. Are there any restrictions after the three month Tenant Protection period expires?
No, owners can manage the property in accordance with their management practices and the tenant lease.
18. Are there income restrictions that apply to the households residing in the NOAH units?
No, the NOAH designation is based on the rent amount charged regardless of the tenant's income.
19. If a lease expires during the three month protection period, can I raise the rent?
You can renew the lease but any rent increases must be effective following the expiration of the three month tenant protection period has expired.
20. Does the City imposed penalty of \$500 per unit for failure to comply with the Tenant Protection Ordinance apply to all the units in a building or only those units that qualify as a NOAH rental units?
The penalty only applies to NOAH rental units.
21. Can tenants waive the protection period and/or relocation benefits?
No, the ordinance applies to the actions of the new owner. The tenant cannot waive the ordinance requirements.
22. Does the ordinance apply if the management changes in the building?
No, the ordinance only applies if the ownership of the property transfers.

If you have any questions related to the implementation of this ordinance please contact:

Michele Schnitker, Deputy CD Director & Housing Supervisor
952-924-2571
mschnitker@stlouispark.org

Your Company's Letterhead
[DATE]

Draft Notice: No rent increases, rescreeing, or
non-renewals during tenant protection period.

Dear Tenant:

This letter is notifying you of a change of ownership at the property and the St. Louis Park Tenant Protection Ordinance. Our company purchased the property and the new ownership is:

[New Owner Name]
[New Owner Mailing Address]
[New Owner Telephone Number]

[include new management information if applicable]

St. Louis Park City Code Section 8-336 provides for a tenant protection period for affordable housing unit tenants. Under Section 8-336, affordable housing tenants may be entitled to relocation assistance from the new owner if the new owner terminates or does not renew the tenant's rental agreement without cause within the tenant protection period. Affordable housing unit tenants may also be entitled to relocation assistance from the new owner if the owner raises the rent or initiates a tenant rescreeing process within the tenant protection period and the tenant terminates their rental agreement.

The tenant protection period is three calendar months following the month in which this written notice, ending [date of end of protection period].

During the tenant protection period, there will be no rent increases, we will not be re-screening existing tenants, and we will not issue non renewals of leases without cause.

On [date], which is after the tenant protection period, we will/will not be increasing rents by [insert dollar amount/range or percentage amount/range], we will/will not rescreeen tenants for eligibility, and we will/will not terminate or not renew affordable housing unit rental agreements without cause.

If you have any questions regarding this notice, please contact [insert contact information].

Sincerely,

[New property owner]

This is important housing information. If you do not understand it, have someone translate it for you now.

Información importante acerca de las viviendas. Si usted no lo comprende, pida a alguien que le traduzca ahora.

Qhov no yog lus tseem ceeb heev qhia txog tsev nyob. Yog tias koj tsis tau taub thov hais rau lwm tus pab txhais rau koj.

Это важная информация о жилплощади. Если Вы её не понимаете, попросите кого-нибудь сейчас перевести её Вам.

Kani waa warbixin muhiim ah ee ku saabsan guriyaha. Haddii aadan fahamsaneyn waa in aad heshaa hadeertaan qof kuu tarjuma

Your Company's Letterhead

Draft Notice: With rent increases, rescreening, or non-renewals during tenant protection period.

[DATE]

Dear Tenant:

This letter is notifying you of a change of ownership at the property and the St. Louis Park Tenant Protection Ordinance. Our company purchased the property and the new ownership is:

[New Owner Name]

[New Owner Mailing Address]

[New Owner Telephone Number]

[include new management information if applicable]

St. Louis Park City Code Section 8-336 provides for a tenant protection period for affordable housing unit tenants. Under Section 8-336, affordable housing tenants may be entitled to relocation assistance from the new owner if the new owner terminates or does not renew the tenant's rental agreement without cause within the tenant protection period. Affordable housing unit tenants may also be entitled to relocation assistance from the new owner if the owner raises the rent or initiates a tenant rescreening process within the tenant protection period and the tenant terminates their rental agreement.

The tenant protection period is three calendar months following the month in which this written notice, ending [date of end of protection period].

During the tenant protection period, we will be issuing rent increases, re-screening existing tenants, and/or terminating or not renewing affordable housing rental agreements without cause. We will notify individual tenants of the date of the rent increases or non-renewal of the lease. A copy of the re-screening criteria is attached.

If you have any questions regarding this notice, please contact [insert contact information].

Sincerely,

[New property owner]

This is important housing information. If you do not understand it, have someone translate it for you now.

Información importante acerca de las viviendas. Si usted no lo comprende, pida a alguien que le traduzca ahora.

Qhov no yog lus tseem ceeb heev qhia txog tsev nyob. Yog tias koj tsis tau taub thov hais rau lwm tus pab txhais rau koj.

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Tenant Resources

United Way 2-1-1

Dial 211 or 612-340-7400 (English, Hmong, Russian, Somali, and Spanish)
<http://www.gtcuw.org/>

Housing Benefits 101 (a service provided by Minnesota Department of Human Services)

Housing information including resources specifically for older adults, people with disabilities, and the homeless.
<https://mn.hb101.org/>

HUD in Minnesota

information about Section 3, homeownership, rental help, avoiding foreclosure. Also has homeless resources and housing counselors.
612-370-3000
<https://www.hud.gov/states/minnesota/renting>

Minnesota Attorney General's Office

Landlord and Tenants: Rights and Responsibilities
651-296-3353
<https://www.ag.state.mn.us/Office/ContactUs.asp>

Minnesota Homeownership Center

State's leading non-profit provider of information and resources aimed at helping Minnesotans begin and maintain homeownership
651-659-9336
<http://www.hocmn.org/>

Minnesota Housing

A state agency that provides financial and customer assistance for decent, safe, and affordable housing.
651-296-8215
mn.housing@state.mn.us

STEP – St. Louis Park Emergency Programs

Helping SLP families meet basic needs
952-925-4899
info@stepslp.org

Catholic Charities

Provide service to people in need, to advocate for justice in social structures, and to call people of good will to do the same.
612.204.8500
<https://www.catholiccharitiesusa.org/>

Community Agency Agencies (CAPs) – CAP-HC

Serves the St. Louis Park Area
952-933-9639
<https://www.caphennepin.org/contact-us/>

Hennepin County Front Door

residents may apply for short-term emergency rental assistance through the county
612-596-1300
<https://www.hennepin.us/>

Home Line

Tenants may speak with a tenant advocate who will provide free advice regarding Minnesota landlord/tenant law
612.728.5757 or 866.866.3546
<https://homelinemn.org/>

Housing Link –

Statewide list of affordable rental vacancies and information about Section 8 programs
612.522.2500
info@housinglink.org

Lutheran Social Service (LSS)

LSS operates a Housing Resource. LSS is also a provider of transitional, supportive, and permanent scattered-site housing, but requires referrals.
612.879.5266
<http://www.lssmn.org/About-Us/Contact-Us/>

Youth Services Network

Helping youth find shelter and services
612-377-8800
[ysnmn@bridge for youth.org](mailto:ysnmn@bridgefor youth.org)