



Monday, July 15, 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 #9**

**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 June 24, 2019 Special 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 Preliminary Term Sheet between the EDA and Christina's Childcare Center for the Sale of EDA Owned Land Located at 7516 Brooklyn Boulevard for the Construction of a New Childcare Center Development
 - 6.1A Resolution
 - 6.1B Preliminary Term Sheet
- 6.2 Consider Setting the BrookLynk Budget for 2020 in Cooperation with the City of Brooklyn Center
 - 6.2A Resolution
 - 6.2B 2020 BrookLynk Budget
- 6.3 Consider Establishing a Brooklyn Park Naturally Occurring Affordable Housing Preservation Program and Authorizing Guidelines of the Program
 - 6.3A Resolution
- 6.4 Consider Minor Amendment to the Sewer Availability Charge and Water Access Charge Reduction Policy
 - 6.4A Policy

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
- 7.2 Housing Update

IV. WORK SESSION - This portion of the meeting will not be televised nor videotaped and will be held in the Steve Lampi Conference Room.

8. Work Session

8.1 None

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:	July 15, 2019
Agenda Section:	Consent	Prepared By:	Theresa Freund, EDA Secretary
Resolution:	N/A	Presented By:	Theresa Freund, EDA Secretary
No. of Attachments:	1		
Item:	Consider Approving EDA Meeting Minutes		

Executive Director's Proposed Action:

MOTION _____, SECOND _____ TO APPROVE THE JUNE 24, 2019 SPECIAL EDA MEETING MINUTES.

Overview:

N/A

Primary Issues/Alternatives to Consider:

N/A

Budgetary/Fiscal Issues:

N/A

Attachments:

4.1A JUNE 24, 2019 SPECIAL MEETING MINUTES

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK
JUNE 24, 2019 SPECIAL MEETING MINUTES

I. ORGANIZATIONAL BUSINESS:

1. CALL TO ORDER: President Jeff Lunde at 9:10 p.m. immediately following 7:00 pm Council Meeting.

ROLL CALL PRESENT: President Jeff Lunde, Vice President Lisa Jacobson (7:40 pm) and Treasurer Wynfred Russell, Commissioners Mark Mata, Terry Parks, Susan Pha and Tonja West-Hafner, Executive Director Kim Berggren and EDA 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 WEST-HAFNER, SECOND PARKS APPROVING THE AGENDA AS PRESENTED. MOTION CARRIES (6 TO 1). COMMISSIONER MATA VOTED NO.

II. STATUTORY BUSINESS:

4. CONSENT:

4.1 None.

5. PUBLIC HEARINGS:

5.1 None.

6. GENERAL ACTION ITEMS:

- 6.1 Consider Authorizing Staff to Enter into an Agreement for Research with the Center for Urban and Regional Affairs for a Qualitative Study of Evictions and Housing Stability in Brooklyn Park.

MOTION PHA, SECOND PARKS TO WAIVE THE READING AND ADOPT RESOLUTION #2019-11 AUTHORIZING STAFF TO ENTER INTO AN AGREEMENT FOR RESEARCH WITH THE CENTER FOR URBAN AND REGIONAL AFFAIRS FOR A QUALITATIVE STUDY OF EVICTIONS AND HOUSING STABILITY IN BROOKLYN PARK. MOTION CARRIES (6 TO 1). COMMISSIONER MATA VOTED NO.

III. DISCUSSION:

7. DISCUSSION ITEMS

7.1 None.

IV. WORK SESSION:

8. WORK SESSION ITEMS

8.1 None.

V. ADJOURNMENT

Meeting adjourned at 9:35 p.m.

Respectfully Submitted
EDA Secretary Theresa Freund

City of Brooklyn Park Request for EDA Action

Agenda Item No:	6.1	Meeting Date:	July 15, 2019
Agenda Section:	General Action Items	Prepared By:	Daniela Lorenz, Business Development Coordinator
Resolution:	X	Presented By:	Daniela Lorenz, Business Development Coordinator
Ordinance:	N/A		
No. of Attachments:	2		
Item:	CONSIDER APPROVING A PRELIMINARY TERM SHEET BETWEEN THE ECONOMIC DEVELOPMENT AUTHORITY AND CHRISTINA'S CHILDCARE CENTER FOR THE SALE OF ECONOMIC DEVELOPMENT AUTHORITY-OWNED LAND LOCATED AT 7516 BROOKLYN BOULEVARD FOR THE CONSTRUCTION OF A NEW CHILDCARE CENTER DEVELOPMENT		

Executive Director's Proposed Action

MOTION _____, SECOND _____ TO WAIVE THE READING AND ADOPT RESOLUTION #2019-____ APPROVING A PRELIMINARY TERM SHEET BETWEEN THE ECONOMIC DEVELOPMENT AUTHORITY AND CHRISTINA'S CHILDCARE CENTER FOR THE SALE OF ECONOMIC DEVELOPMENT AUTHORITY-OWNED LAND LOCATED AT 7516 BROOKLYN BOULEVARD FOR THE CONSTRUCTION OF A NEW CHILDCARE CENTER DEVELOPMENT.

Overview:

Brooklyn Park residents Stephen Barron and Ophelia Zeogar and their daughter Christina Fraser approached Economic Development Authority staff about the potential to purchase the EDA-owned land located at 7516 Brooklyn Blvd. They currently operate a child care center in Crystal and are seeking to expand their business operations into Brooklyn Park. They worked with the Metropolitan Economic Development Association (MEDA), a community development financing institution (CDFI) based in Minneapolis, to secure financing. The new child care facility will provide 180 new daycare slots for children between the ages of six weeks to 12 years old and it is anticipated that a large percentage of families served will be low income (using the Childcare Assistance Program (CCAP) through Hennepin County).

The purpose of this action is to approve a preliminary term sheet outlining the conditions under which the EDA would sell its land at 7516 Brooklyn Boulevard to Christina's Child Center for the construction of a new childcare center. If approved by the EDA, the terms will be formalized in a Development Agreement that will be drafted and presented to the EDA for its consideration.

Background

The EDA purchased and demolished the former Burger King located at 7516 Brooklyn Blvd N in 2006. Community Development Block Grant (CDBG) funds were used to purchase the 0.88 acre property under the goal of removing blight in the area. Before the EDA purchased and demolished it, the building had been vacant for two years. Since 2006, the land has been marketed by the EDA with a "for-sale" sign on the property. Staff has received inquiries over the years, and one proposal for a small office building was considered by the EDA and Council, but was not pursued by the applicant.

In April of this year, staff met with long-time Brooklyn Park residents and owners of Christina's Child Care, as well as their contractor and architect, to discuss the proposal to construct a second location for their business. Since then, the development team has secured financing for this project through a private bank, the federal Small Business Administration (SBA), and MEDA.

In accordance with the City's policy for community outreach, the applicants sent out a mailing about the project and held a neighborhood meeting as part of the City Hall on the Go at Hartkopf Park on June 25. At that event nearly 200 residents had the opportunity to provide feedback on the project. The project was well received from those in attendance and the business received no objections from the mailing it sent out with details about the project.

Primary Issues/Alternatives to Consider:

- **What is being proposed at the property?**

The proposed project is a 9,000 square foot new construction child care facility at 7516 Brooklyn Blvd N. The facility will provide 180 new child care spots to children birth to grade school age. The hours of operation will be 6 a.m. to 11:30 p.m. Site design, access, parking, and landscaping proposals will be reviewed as part of the site plan review and approval process through the Planning Commission and City Council.

- **What assistance is being requested?**

The total project cost is \$3,550,685. The primary mortgage financing, covering 50 percent of the project cost, is being provided by 21st Century Bank. The SBA 504 Program, a federal loan program through the Small Business Administration, is covering 40 percent of the project cost as a second mortgage on the property. A third mortgage is also being offered from MEDA for gap financing in the amount of \$155,068.

Below is a summary of the structure of this deal:

50% loan from 21 st Century Bank:	\$1,775,343
40% loan from SBA:	\$1,420,274
3.33% loan from MEDA:	\$ 155,068
3.33% cash equity from owner	\$ 100,000
3.33% TBD	\$ 100,000

The preliminary term sheet indicates that EDA shall sell the land located at 7516 Brooklyn Blvd to the applicant for a price yet to be determined. In appraisals from spring 2019, the land was valued at \$300,000. The business is requesting a \$100,000 land write-down. Staff is still evaluating the need for these funds with assistance from the EDA's financial advisor and will incorporate a recommendation into the development agreement if the EDA seeks to advance this project.

- **What public purpose does this project serve?**

The Village Creek neighborhood has been the focus of city and EDA efforts to remove blight and improve neighborhood livability for the past 20 years. Additionally, access to quality and affordable child care is also a growing need in the State of Minnesota and in the Village Creek neighborhood. Over 24% of the population of the area is age 14 or under. There is only one other commercial daycare facility within a mile of the proposed location for Christina's and it has consistently been at capacity with a waitlist since it opened in 2018.

Also, Christina's Childcare is proposing to be open until 11:30 pm. When they opened its first center nearly 20 years ago they saw the need to provide care for families that don't have a regular 9-5 schedule. As a result, Christina's runs two shifts, a morning and a night shift to allow them to stay open from 5:30 am to 11:30 pm.

Finally, Christina's is uniquely positioned to serve low income families. Currently about 90% of the clients at their current location in Crystal use Hennepin County's Childcare Assistance Program to pay for their child care costs.

- **What are the next steps?**

If the EDA supports the land sale, Christina's plans to submit a land use application for the proposed child care center in early August. The Development Agreement would return to EDA in August/September for final approval. A public hearing will also be required for the sale of the property. It is the applicant's intention to begin construction in late fall of 2019.

Budgetary/Fiscal Impacts:

The initial purchase of this property was funded with Community Development Block Grant (CDBG) funds for the express purpose of blight removal. As such, the objectives of the project were met when the former Burger King building was demolished. Therefore, any proceeds made from the sale of the land would be returned to the EDA's general fund.

Recommendation:

The Executive Director of the Economic Development Authority recommends approval of this action.

Attachments:

6.1A RESOLUTION

6.1B PRELIMINARY TERM SHEET

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

RESOLUTION #2019-

APPROVING A PRELIMINARY TERM SHEET BETWEEN THE ECONOMIC DEVELOPMENT AUTHORITY AND CHRISTINA'S CHILDCARE CENTER FOR THE SALE OF ECONOMIC DEVELOPMENT AUTHORITY-OWNED LAND LOCATED AT 7516 BROOKLYN BOULEVARD FOR THE CONSTRUCTION OF A NEW CHILDCARE CENTER DEVELOPMENT

WHEREAS, Christina's Child Care Center (the "Developer"), proposed to develop an approximately 9,000 square foot day care facility at 7516 Brooklyn Boulevard North (the "Project") in the City of Brooklyn Park (the "City").

WHEREAS, the Developer has presented a project that is consistent with the goals of removing blight and providing neighborhood level businesses and amenities as part of the Village Creek Master Redevelopment Plan, as set forth in the Preliminary Term Sheet between the EDA and the Developer (the "Preliminary Term Sheet").

WHEREAS, both the EDA and the Developer desire to enter into the Preliminary Term Sheet in advance of approving and entering into a definitive development agreement in connection with the project.

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

1. The Preliminary Term Sheet as presented to the Board is hereby in all respects approved, in substantially the form submitted, together with any related documents necessary in connection therewith, and the Executive Director is hereby authorized and directed to execute the Preliminary Term Sheet on behalf of the EDA.
2. The approval hereby given to the Preliminary Term Sheet includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the EDA and by the Executive Director prior to their execution; and the Executive Director is hereby authorized to approve said changes on behalf of the EDA. The execution of any instrument by the Executive Director shall be conclusive evidence of the approval of such document in accordance with the terms hereof.
3. As set forth in the Preliminary Term Sheet, execution of a definitive agreement and payment of the proposed assistance is subject to approval by the EDA after a public hearing as required by Minnesota law.

Preliminary Term Sheet

This Term Sheet is executed as of this ____ day of _____, 2019 by and between Business and EDA (as those terms are defined below) and is intended to set forth the general terms upon which the parties hereto may be willing to enter into a Contract for Private Development (the "Development Agreement"). Except for Section 10 below (which shall be binding upon Business) this Term Sheet shall not be deemed conclusive or legally binding upon either party and neither party shall have any obligations regarding the property defined below unless and until a definitive Development Agreement is approved by the EDA board and executed by both parties.

1. Developer: Christina's Child Care Center, LLC, a child care provider currently located in Crystal, MN
2. Property: 7516 Brooklyn Blvd N (PID: 2811921120002)
3. Developer Conditions, as determined to date:
 - a. Execution of Development Agreement
 - b. Site Control
4. EDA Conditions, as determined to date:
 - a. City Council approval of Planning Application
 - b. Execution of a Development Agreement
 - c. Approval of Land Sale After Public Hearing.
5. Minimum Improvements: Improvements to the Property will include the construction and equipping of a new child care facility that is approximately 9,000 square feet.
6. Construction Schedule: Commence construction on the building by November 1, 2019 and substantially complete construction by October 31, 2020. For the purpose hereof, "Commence" shall mean beginning of physical improvement to the Property, including grading, excavation, or other physical site preparation work; and "Completed" shall mean that the Minimum Improvements are sufficiently complete for the issuance of a Certificate of Occupancy. Upon Completion the EDA shall issue, in recordable form, a "Certificate of Completion."
7. Land Purchase: Subject to all terms and conditions of the Development Agreement and to the extent authorized by applicable law, the EDA will sell the property in question to Christina's Childcare Center for a price to be determined.
8. Jobs: Job creation is not a goal of this project. The goal is to provide an additional quality child care option to residents in Brooklyn Park and is part of the on-going effort to remove blight from the Village Creek neighborhood in Brooklyn Park. Additionally, the project will enhance the community's tax base and attract nearby developments.
9. Fees: Within two (2) weeks of approval of the Letter of Intent by the EDA Board of Commissioners, Developer shall deposit to the EDA the sum of Ten Thousand Dollars (\$10,000.00) to pay for the reasonable out-of-pocket legal, financial consultant and administrative fees associated with this transaction. Unexpended funds will be returned to the Developer and if additional funds are needed to pay such expenses the Developer shall deposit such additional funds upon request by the EDA.

10. Miscellaneous:
- a. No transfer of the portion of the Property or of the Development Agreement without EDA consent prior to the issuance of the Certificate of Completion, except for: mortgage financing and transfers to the company to be identified in the Development Agreement as operating the building.
 - b. Developer covenants to pay property taxes and maintain customary insurance.
 - c. Additional conditions of assistance remain under consideration.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

CHRISTINA'S CHILD CARE CENTER

By: _____

Its: _____

By: _____

Its: _____

BROOKLYN PARK ECONOMIC DEVELOPMENT
AUTHORITY

By: _____

Its: Executive Director

City of Brooklyn Park Request for EDA Action

Agenda Item No:	6.2	Meeting Date:	July 15, 2019
Agenda Section:	General Action Items	Prepared By:	Breanne Rothstein, Economic Development & Housing Director
Resolution:		Presented By:	Breanne Rothstein, Economic Development & Housing Director
No. of Attachments:	2		
Item:	Consider Setting the BrookLynk Budget for 2020 in Cooperation with the City of Brooklyn Center		

Executive Director's Proposed Action

MOTION _____, SECOND _____ TO WAIVE THE READING AND ADOPT RESOLUTION #2019-__ SETTING THE BROOKLYNK BUDGET FOR 2020 IN COOPERATION WITH THE CITY OF BROOKLYN CENTER.

Overview:

The Brooklyn Bridge Alliance for Youth (Alliance) launched BrookLynk in February 2015 in response to the current and impending workforce shortage for employers and to ensure that youth are connected to employers in our community. The program provides youth and young adults, ages 14 to 21 living in or going to school in Brooklyn Park or Brooklyn Center, with skills training, experience and support needed to successfully develop their individual pathways to college and career.

BrookLynk is in its fifth year of programming, and transitioned to the cities of Brooklyn Park and Brooklyn Center at the start of 2018 under a cooperation agreement that places Brooklyn Park as the operational manager and fiscal agent for the equal partner program. The cooperation agreement established an advisory committee of representatives from each city, youth and business participants, and other partners in the program to propose an annual budget and present to each city in July. The advisory committee met in June and developed a proposed budget for the EDA and the City of Brooklyn Center to consider and approve.

The elements in proposed work plan for 2020 includes:

- Continue to offer high-quality job-skills training, internships, and job opportunities for young people in our community with barriers and long-term connections between program alumni.
 - Aim for 350 young people to complete Get Ready! Training.
 - Aim for 120 internship opportunities
 - Hold an annual job fair and build connections with employers
 - Increase participation in the BrookLynk Alumni network in 2020 to 200 participants.
- Solidify funding relationships with Hennepin County, the State of Minnesota, and foundations, and update the fundraising strategy for 2020 and beyond.
- Evaluate fee-for-service funding opportunities like providing training for class credit and providing training for a fee, and other fundraising efforts.
- Increase employer participation through direct recruitment.
- Expand referral partner network to increase connections with and support for youth.
- Roll-out of Get Ready! trainings during school-time or as an afterschool program for schools with youth who face significant barriers to employment and pilot the training for other organizations in the region.
- Increase internship training and supervisor support to create a high-quality experience through intern bootcamp, added Job Coach capacity.
- Provider social work support on a contract basis to those participants with particularly high barriers.

The proposed 2020 budget for BrookLynk is \$355,000 and represents an increase of \$39,000 from 2018. The primary increase in budget expenditure from 2019 to 2020 is increased capacity in the form of a third staff person (program manager). The program manager was recommended for approval by the BrookLynk advisory committee as a way to increase the ability to manage and pursue grants, enhance employer engagement, and provide additional support during peak program cycles.

Primary Issues/Alternatives to Consider:

- **Who does BrookLynk work with?**

BrookLynk serves youth who live or attend school in Brooklyn Center or Brooklyn Park and face barriers to employment. The program creates college and career pathways by offering a comprehensive work readiness training that teaches young people essential 21st Century work and career navigation skills. Youth apply skills in paid summer internship opportunities coordinated with local employers invested in creating a strong workforce and developing their talent pipelines.

BrookLynk also serves employers by providing a network of high school interns and future team members. The program provides a half day supervisor training and on call support for all supervisors during the program year. Together program participants and worksite supervisors establish the base for BrookLynk's alumni network. With the training, opportunity to participate in internships and the alumni network, BrookLynk strives to provide a pathway to college and career for young people in the community.

Youth Served (Estimate)	2017	2018	2019	2020 (goal)
Get Ready! Training	189	268	220	350
Internships (16-19 yrs.)	96	105	110	120
Business Partnerships (Employers/Internships)	14	15	17	20
Job Fair Attendees	159	174	125	200
Alumni Network	80	100	150	200

BrookLynk currently operates with one full-time BrookLynk Program Coordinator and one full-time BrookLynk Program Specialist. The BrookLynk Program Coordinator oversees the day-to-day operations, plans and executes business recruitment, manages the training program, mentors interns, and assists in fundraising and maintaining partner relationships. The BrookLynk Program Specialist assists the Coordinator with day-to-day operation, recruits program participants, leads special projects such as job fairs, and mentor's interns. The program operates on a ratio of one program staff member to every 55 interns. The program successfully placed 110 interns into internship opportunities in 2019. Brooklyn Park's Economic Development and Housing Director offers program management support.

The 2020 budget adjusts the staffing to include a program manager, two programming staff, and a seasonal support position.

Budgetary/Fiscal Issues:

BrookLynk operates as a public-private partnership program with expenses in two categories – program operations and wages to intern participants. The proposed 2020 base operations budget (see Attachment 6.5C) is \$355,000, an increase from \$286,000 in 2019. Costs related to staffing, business and participant recruitment, training, and general expenses to operate the program make up the operating budget.

A critical piece of the funding for BrookLynk is that employers pay all wages directly to the interns. BrookLynk leverages an estimated \$250,000 in wages directly to interns each summer, collectively.

The EDA, Brooklyn Center, Hennepin County, State of Minnesota, and foundation sources currently cover the balance of direct operations expenses. In 2019, the program received two large grants from the Hennepin County and DEED which will provide \$175,000 toward expenses over two years. It is anticipated that BrookLynk will also receive small grants from community organizations, businesses, and foundational support to cover the balance of the budget. Therefore, the 2020 budget calls for EDA/city contributions to remain at \$80,000.

Recommendation:

The Executive Director recommends approval.

Attachments:

6.2A Resolution

6.2B 2020 BrookLynk Budget

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

RESOLUTION #2019-____

SETTING THE 2020 BROOKLYNK BUDGET IN COOPERATION WITH THE
CITY OF BROOKLYN CENTER.

WHEREAS, the Brooklyn Park Economic Development Authority (the "Authority") was created pursuant to the Economic Development Authorities Act, Minnesota Statutes, Sections 469.090 to 469.108 (the "EDA Act") and is authorized to transact business and exercise its powers by a resolution of the City Council of the City of Brooklyn Park (the "City") adopted on October 24, 1988;

WHEREAS, the Authority possesses all of the powers of an economic development authority pursuant to the EDA Act and a housing and redevelopment authority pursuant to Minnesota Statutes, Sections 469.001 to 469.047;

WHEREAS, the City belongs to the Joint-Power Brooklyn Bridge Alliance for Youth (the "Alliance");

WHEREAS, the Alliance created the BrookLynk program ("BrookLynk") in 2015 in response to the current and impending workforce shortage for employers and to ensure that youth are connected to employers in Brooklyn Park and Brooklyn Center;

WHEREAS, the Alliance created BrookLynk with the intent to transfer the it to the Brooklyn Park and Brooklyn Center in 2018;

WHEREAS, the Authority participated in the transition planning for the transfer of BrookLynk and directed staff in November 2017 to become the fiscal agent and run the program through a Co-operation Agreement (the "Agreement") with the City of Brooklyn Center;

WHEREAS, the Authority and the City of Brooklyn Center entered into the Agreement on December 27, 2017 which outlines the operations and funding of the program in equal partnership with the City of Brooklyn Center; and

WHEREAS, the Agreement stipulates that the Authority and the City of Brooklyn Center create an Advisory Committee to provide a program plan and budget for consideration annually; and

WHEREAS, the Advisory Committee presented a budget for 2020 ("Budget") for review and approval on July 19, 2019;

WHEREAS, the Agreement stipulates that the Authority and the City of Brooklyn Center have ultimate authority of BrookLynk; and

WHEREAS, the Authority desires to continue BrookLynk under the Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Brooklyn Park Economic Development Authority Board of Commissioners that:

1. The Authority hereby approves the Program Plan and Budget subject to EDA budget approval.

	2018 Actual	2019 Adopted	2020	2021	Notes
FUND 292					
BrookLynk Program					
Revenues					
DEED Equity Grant/YSS	52,000	44,000	40,000.00	40,000.00	Deadline 7/21/19
Youth At Work Bremer Pohlad Foundation			75,000.00	75,000.00	
United Way/Other Foundation Grants			25,000.00	25,000.00	Working with UW
Donations	5,000		5,000.00	5,000.00	
Brooklyn Center Business Assoc/Members Donatons					
TwinWest Chamber of Commerce		4,000	0.00		
City of Brooklyn Center	50,000	55,000	55,000.00	55,000.00	
The Link					
City of Brooklyn Park - capacity investment		25,000			
City of Brooklyn Park	50,000	55,000	80,000.00	80,000.00	
Hennepin County MYP Grant		100,000	100,000.00	100,000.00	Plan to re-apply in 2020
The Brand Lab					
Boston Scientific Corp	2,500				
Elks Club of Brooklyn Park		1,000			
Measures of Human Achievements Fellowship (MHA)					
TopLine	100				
Brooklyn Park Rotary Foundation	1,250	0	1,000.00	1,000.00	
Other					
Transfer In (Pre-Division)	151,512				
Total Revenues	312,362	284,000	381,000.00	381,000.00	
Expenses					
Salaries					
6100 - Salaries - Full Time	130,003.60	127,845	210,845.00	217,170.35	Add one FTE
Program Manager (FTE)				0.00	
Coordinator (FTE)				0.00	
Specialist (FTE)				0.00	
6102 - Salaries - Part Time				0.00	
6104 - Salaries - Seasonal		17,500		0.00	Replace with FTE
Seasonal Staff				0.00	
6108 - Overtime	897.66	0		0.00	
Benefits	39,086.80	34,917	57,613.05	59,341.44	
Supplies					
6206 - Operating Supplies	8,054.60	14,000	8,000.00	8,240.00	
6210 - Small Equipment	89.66	0		0.00	
6225-Uniforms		120		0.00	
Professional Services					
6304-Legal Services	7,380.80	2,000	5,000.00	5,150.00	
Contractual Services					
6322-Rentals	1,366.66			0.00	
6328 - Other Contractual Services	52,516.22			0.00	
Contractual Services Grant-writing		9,500	6,000.00	6,180.00	
Contractual Services - Trainers		5,000	5,000.00	5,150.00	
Contractual Services - Transportation		1,400	1,500.00	1,545.00	
Contractual Services - Photographer		500	500.00	515.00	
Contractual Services - Social Work Support		4,000	5,000.00	5,000.00	
Contractual Services - Twin West		12,000		0.00	No longer contracting
Intern Training (Bootcamp)		23,000	16,900.00	17,407.00	Less contracted services
Other		3,000			
Conference and schools					
6702 - Conferences & Schools	822.59		3,000.00	3,090.00	
6704 - Travel & Lodging	1,736.37		800.00	824.00	
6706 - Meeting Expenses	13,331.92	4,100	5,000.00	5,150.00	
6708-Parking/Mileage		3,000	3,000.00	3,090.00	
Dues and Subscriptions					
6720 - Membership Dues		480	0.00	0.00	
			500.00	515.00	
Other Charges					
6845 - Advertising & Marketing	1,519.68	2,000	2,000.00	2,060.00	
6880 - Miscellaneous	422.59		0.00	0.00	
Information technology charges					
		5,000	3,000.00	3,090.00	
Transfer Out					
7502 - Transfers out	22,556.51			0.00	
BBA - Evaluation		16,725	12,000.00	8,000.00	
EDA General Fund - Manager		30,000	10,000.00	10,000.00	
Total Expenses: DIV 91	279,786	316,087	355,658	361,518	

City of Brooklyn Park Request for EDA Action

Agenda Item No:	6.3	Meeting Date:	July 15, 2019
Agenda Section:	General Action Items	Prepared By:	Erika Byrd, Development Project Coordinator; Breanne Rothstein, Economic Development and Housing Director
Resolution:	X	Presented By:	Breanne Rothstein, Economic Development and Housing Director
Attachments	1		
Item:	Consider Establishing a Brooklyn Park Naturally Occurring Affordable Housing Preservation Program and Authorizing Guidelines of the Program		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, ESTABLISHING A BROOKLYN PARK NATURALLY OCCURRING AFFORDABLE HOUSING PRESERVATION PROGRAM AND AUTHORIZING GUIDELINES OF THE PROGRAM.

Overview:

On June 17 the EDA held a work session to discuss a potential EDA program to provide funding to developers and rental property owners for the acquisition and/or re-habilitation of Brooklyn Park Naturally Occurring Affordable Housing (NOAH) rental properties. Based on the EDA work session discussion and feedback from the affordable housing development community, staff has updated the proposed NOAH Preservation Program and corresponding guidelines.

Under the proposed Brooklyn Park NOAH program, each project would be evaluated as an independent deal and go through the EDA for approval. The program guidelines would provide program direction and signal to the development community and property owners of the willingness of the EDA to partner. The goals of NOAH Preservation Program are:

- 1) Prevent displacement of current residents and loss of affordable housing by securing long-term affordability;
- 2) Improve the physical quality and management of existing aging apartments;
- 3) Geographically disperse units preserved as long-term affordable, with an emphasis on mixed income projects.

Background:

In recent years, the EDA has heard from community members and housing organizations about issues related to increasing rents, high housing cost burden, and the importance of the quality of housing, particularly in the rental apartment communities. At the same time, Brooklyn Park has seen market trends toward increasing values and sales prices of apartment communities both in the city and regionally. Staff has been in contact with several owners and developers who are interested in buying apartments in Brooklyn Park, some of whom would be interested in a City program that supports maintaining affordability while providing financial resources for acquisition and re-habilitation. At the EDA work sessions in March and April of 2019, the Commissioners discussed the EDA's strategic priorities. The preservation of naturally occurring affordable housing (NOAH) emerged as a priority for 2019/2020.

EDA staff drafted a NOAH Preservation Program framework for discussion at the June 17 EDA work session. During that meeting, EDA Commissioners provided the following feedback and discussion:

- Preference for loans (could be deferred, 0% loan, possibly forgivable) instead of grant to developer.
- Mixed income is preferred over preservation of all affordable units in one area.
- The need to be mindful of how those over the income threshold will be impacted/possibly displaced by any program.
- Concern about 4D status and tax impacts. Staff explained that nonprofit/low income housing developers do usually need 4D as part of financing structure, so that aspect will be brought back to the EDA as part of the program and planning.
- Discussion about the need for a re-habilitation standard.
- Interest in how small developers can plug into subsidies. Could we make program available to small projects such as single family and duplex rental homes? Staff will be exploring this idea, potentially as a separate program.

Following this meeting, staff sought feedback from stakeholders on potential changes and questions raised during the June 17 work session. Staff at several stakeholder organizations shared feedback. Key information learned from these groups included:

- Affordable rents at or below 60% AMI makes sense because that aligns with other resources such as the Greater Minnesota Housing Fund's (GMHF) NOAH Preservation Fund.
- Mixed income would likely be workable. In non-tax credit projects, the unrestricted market rate units can help support the affordable units. However, to be compatible with GMHF's NOAH Impact Fund at least 75% of the units in a NOAH property must be affordable at or below 80% AMI.
- Loans rather than grants would likely work for developers. Any EDA financing or soft debt would need to be at a minimum 0% interest with payments of principal and interest deferred until maturity and would be sub-ordinate to primary (and potentially even secondary) debt. This would allow developers to maximize the first mortgage and also to limit the accrual of interest that would have to be repaid at refinancing.
- Concern about displacement of residents over the 60% AMI threshold is a shared concern among the affordable housing developer community. Some programs grandfather in residents who are not income qualified at acquisition of a NOAH property. Such residents are welcomed to continue their occupancy and upon turnover the new resident would need to meet the in-place affordability restrictions.
- Rehab standards should not be overly stringent but should provide for addressing structural issues and deferred maintenance needs. EDA staff asked about Minnesota Housing's Multi-Family Rental Housing Design/Construction Standards that are used in Low Income Housing Tax Credit (LIHTC) projects in Minnesota. The feedback staff received is that Minnesota Housing standards work in LIHTC deals because that program provides considerably more capital into each affordable housing project. With less capital coming in, a more tailored rehabilitation plan would be best. GMHF, for example, uses a third-party physical needs assessment to determine the immediate, short-term, and long-term capital needs of each potential project. They require their partners to make all safety repairs, complete deferred maintenance, and address any physical needs that could compromise the structure or the units and they encourage green investments that lead to operational savings.

Program Guidelines:

The EDA would create a program to provide funding to developers and rental property owners for the acquisition and/or re-habilitation of Brooklyn Park NOAH rental properties. Apartment units purchased and rehabbed within the program would be maintained as long-term affordable. Proposed program elements include:

Eligibility	
Property	Properties will be existing, occupied, multifamily rental housing with 4 or more units.
Rents	Rental housing units provided by the private market (not currently part of an existing project-based affordable housing program) that have existing rents affordable to households with incomes at or below 60% of the area median income.
Geography	If possible given timing constraints, preference will be given to projects that further the goal of geographic dispersion.
City Commitment	
Total Impact	The program has a goal of preserving and re-habilitating 500 units of existing market rate, affordable multifamily-rental housing by 2023.
Funding	<p>The Brooklyn Park EDA will utilize its Housing Set Aside Fund, with a goal of limiting EDA investment to \$5-10K per unit to maximize impact of the fund. Each deal will be evaluated independently for need, with a preference for structuring support as a deferred, 0% interest loan.</p> <p>4D support (Minnesota Statute 273.128 provides that qualifying affordable rental properties are eligible for 4d tax classification, which provides up to a 40% tax reduction on qualifying units)</p>
Developer Requirements	
Pre-Approval	Developer introduction and pre-approval is encouraged, but not required
Developer Qualifications	Developer must demonstrate ability to carry out project. EDA will take into consideration 1) experience with NOAH, affordable housing development, and apartment rehabilitation, 2) experience in property management and/or resident support and 3) Financial capacity of organization
Affordability term	Preserved units will have affordability periods no less than 30 years (at 60% AMI)
Rehab Standards	Required third-party physical needs assessment to determine the immediate, short-term, and long-term capital needs of each potential project. Projects must address all safety repairs, complete deferred maintenance, and address any physical needs that could compromise the structure or units. Other modernization and green energy improvements are encouraged where financially feasible.
Tenant Engagement	<p>Developers/owners must provide a robust tenant engagement plan for the acquisition and rehabilitation phases, including:</p> <ol style="list-style-type: none"> 1. A contact person and process for dealing with any complaints or issues related to the rehab project (i.e. community coordinator) 2. Regular communications to the residents during purchase and rehab 3. Process to support tenant voice
Resident Services and Support	Preference given to projects that provide resident services and support on an ongoing basis
Displacement	Preference given to project that do not result in displacement.

Primary Issues to Consider:

- **What is the affordability term?**

Eligible units for the program include rental housing units provided by the private market without government subsidy that have rents affordable to households with incomes at or below 60% of the area median income (AMI) as determined by HUD. Units that receive Brooklyn Park NOAH Preservation Program funding must be maintained as affordable for 30 years. The City will draft and record a declaration against the property that limits the rents and incomes of households occupying the preserved units at or below 60% of the area median income (a recorded document is required for 4d tax classification status). In order to ensure compliance, property owners will be required to submit an annual 4d application to Minnesota Housing and an annual report to the City.

- **What is 4D?**

Owners receiving a subsidy through the Brooklyn Park NOAH Preservation Program will be eligible for 4d property tax rate (also known as Low Income Rental Classification), which will provide a tax reduction on preserved units. The state of Minnesota has several different classification types for rental property. Class 4d is “low-income rental property” under section 273.13, subdivision 25, of state law. Class 4d property is taxed at a rate of 0.75 for the first tier of valuation, or 40% less than other kinds of rental property. Properties qualify for 4d in a variety of ways, including if the units are subject to rent and income restrictions under the terms of financial assistance provided to the rental housing property by a local, state, or federal government. Units also qualify if they are “occupied by residents whose household income at the time of initial occupancy does not exceed 60 percent of the greater of area or state median income, adjusted for family size.” To receive 4d classification, owners of properties must submit an application to Minnesota Housing annually.

- **What type of tenant engagement is required?**

Developers would be required to have a robust engagement plan. Components of the engagement plan should include:

1. A contact person and process for dealing with any complaints or issues related to the rehab project (i.e. community coordinator)
2. Regular communications to the residents during purchase and re-habilitation. This includes a kick off meeting with residents and partners to explain key information, in-person meetings during rehabilitation, and regular written announcement and updates to residents.
3. Process to support tenant voice. The City encourages the developer to support the establishment of a tenant council. Such a council would be beneficial in gathering residents’ concerns and easing communication issues during the rehab process.

- **How will tenant displacement be handed?**

The City has an interest in seeing that residents are not displaced, if at all possible, when apartment communities are purchased and/or rehabilitated. This includes minimizing impact for residents that are being temporarily displaced during construction and preventing residents from being permanently displaced due to not meeting new requirements (such as income restrictions).

A mixed income approach and/or the practice of allowing all residents to continue their occupancy and upon turnover qualifying new residents for affordable units should be considered. If tenants must be temporarily relocated to renovate buildings or units, then on-site relocation services should be offered. This would be in addition to the regular tenant engagement and communication requirements listed above.

- **What are the next steps?**

If the EDA approves the Brooklyn Park Naturally Occurring Affordable Housing Preservation Program as outlined in this report, staff would develop application and program materials and begin to market and share information with existing owners and potential preservation buyers and developers. Any potential preservation project would be evaluated on a case-by-case basis and staff would bring the project to the EDA for approval.

Budgetary/Fiscal Issues:

Staff proposes using up to \$5 million from the EDA's Housing Set Aside funds to preserve a goal of 500 units of naturally occurring affordable housing. Brooklyn Park has the Housing Set Aside fund which shall be used for affordable housing (or mixed income projects), according to special legislation. This fund was originally funded by pooled TIF dollars from several other TIF districts.

In addition to dollars for re-habilitation and long-term rent increase limitations, the program would have an impact on tax revenue for the City and EDA. Minnesota state statute provides that qualifying affordable rental properties that receive municipal financial support are eligible for 4d tax classification, which provides up to a 40% tax reduction on qualifying units. This benefit is approximately \$500 to \$600 per year per unit in total tax.

Recommendation:

The Executive Director of the Economic Development Authority recommends approval of this action.

Attachments:

6.3A RESOLUTION

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

RESOLUTION #2019-

ESTABLISHING A BROOKLYN PARK NATURALLY OCCURRING AFFORDABLE HOUSING
PRESERVATION PROGRAM AND AUTHORIZING GUIDELINES OF THE PROGRAM

WHEREAS, the Brooklyn Park Economic Development Authority (the "Authority") was created pursuant to the Economic Development Authorities Act, Minnesota Statutes, Sections 469.090 to 469.108 (the "EDA Act") and is authorized to transact business and exercise its powers by a resolution of the City Council of the City of Brooklyn Park (the "City") adopted on October 24, 1988; and

WHEREAS, the Authority possesses all of the powers of an economic development authority pursuant to the EDA Act and a housing and redevelopment authority pursuant to Minnesota Statutes, Sections 469.001 to 469.047; and

WHEREAS, two of the statutory purposes of the EDA are to assist in the redevelopment of blighted and underutilized properties and to provide safe, clean, sanitary and affordable dwellings; and

WHEREAS, the Authority has the opportunity to preserve and rehabilitate existing affordable rental housing in the city through a Brooklyn Park Naturally Occurring Affordable Housing Preservation Program; and

WHEREAS, the Authority desires to establish guidelines for the Brooklyn Park Naturally Occurring Affordable Housing Preservation Program, attached hereto, to guide the investment of resources; and

WHEREAS, the appropriate funding source for this expenditure is the EDA Housing Set Aside Fund; and

NOW, THEREFORE, BE IT RESOLVED by the Brooklyn Park Economic Development Authority Board of Commissioners that:

1. The Board of Commissioners hereby establishes the Brooklyn Park Naturally Occurring Affordable Housing Preservation Program and guidelines.

City of Brooklyn Park Request for EDA Action

Agenda Item No:	6.4	Meeting Date:	July 15, 2019
Agenda Section:	General Action items	Prepared By:	Daniela Lorenz, Business Development Coordinator
Resolution:	N/A	Presented By:	Daniela Lorenz, Business Development Coordinator
No. of Attachments:	2		
Item:	Consider Minor Amendment to the Sewer Availability Charge (SAC) and Water Access Charge (WAC) Reduction Policy		

Executive Director's Proposed Action:

MOTION _____, SECOND _____ APPROVING A MINOR AMENDMENT TO THE SEWER AVAILABILITY CHARGE (SAC) AND WATER ACCESS CHARGE (WAC) REDUCTION POLICY.

Overview:

In April of 2019, the City Council approved a SAC/WAC fee reduction program. The approved program consolidated the existing SAC Reduction Program and the WAC policy and expanded the existing SAC Reduction Program to provide fee assistance to a broader range of businesses and development or redevelopment projects in the city. The program has two tracks:

- Track one will cater to eligible businesses looking to start, move to, or expand in Brooklyn Park
- Track two will be subject to broad discretion of the EDA and cater to development and redevelopment projects that meet the authority's strategic priorities.

In track one, one of the qualifications for an eligible business is that it is an independently owned business with the following definition:

Independently owned businesses are defined as businesses that have no corporate headquarters where at least 25% of the ownership interests and 25% of the decision-making control of the business is held by a Brooklyn Park resident, women, people of color, or immigrants.

Given that the intention of expanding the eligible uses was to increase use of the program, staff is recommending to change the definition of independently-owned business to expand the residential requirement from only a Brooklyn Park resident to locally-owned independent business that 25% of the ownership interests and 25% of the decision-making control is held by a resident of **the seven county metro area**. The edit is included in the updated policy (attachment A).

Background:

The concept of using paid SAC credits as an economic development tool was first explored in 2018 when the City Council directed the EDA to administer the current SAC Reduction Program. The current program utilizes 32 paid SAC credits that were previously taken city-wide to support the development of new or expanding restaurants in the City. The City Council also adopted Water Access Charge (WAC) policy in 2007 that allows for staff to use paid WAC credits from demolished buildings for other development projects as an incentive.

Primary Issues/Alternatives to Consider:

- **Why is this change important?**

Upon further consideration of the requirements of this program, staff has determined that only allowing a business owned by a Brooklyn Park resident and meets none of the other possible eligibility standards limits the program too much. There are several independently owned businesses in Brooklyn Park that are owned by residents of other cities within the metro area that might not be able to take advantage of the program.

For example, Blue Wolf Brewery should be considered a locally-owned independent business, however they would not technically qualify for the program as they live in the neighboring community of Champlin and do not meet the other possible eligibility factors. Expanding the definition to include anyone who lives in the metro and chooses to operate their business in Brooklyn Park allows the program to serve more businesses interested in locating in Brooklyn Park.

- **Does this change affect track two?**

No, this change only relates to the eligibility requirements for track one.

Budgetary/Fiscal Issues:

N/A

Recommendation:

The Executive Director of the Economic Development Authority recommends approval.

Attachments:

6.4A MODIFIED SAC/WAC FEE REDUCTION PROGRAM

Sewer Availability Charge (SAC) and Water Access Charge (WAC) Reduction Policy

Purpose: This policy aims to reduce the barriers to starting and expanding a business and completing strategic development or redevelopment projects in the City by reducing the number of Sewer Availability Charge (SAC) and/or Water Access Charge (WAC) a qualified business or project is obligated to pay.

It is the policy of the City of Brooklyn Park to pool paid SAC and/or WAC credits from demolished buildings where another use on the property is not planned within one year of demolition. The pooled credits can act as an economic development tool which can be offered to businesses and other qualified projects looking to start or expand in Brooklyn Park.

SECTION ONE: POOLING CREDIT POLICY

A. Demolished properties that will not be rebuilt upon

If a property is demolished and there is no plan for development such as, but not limited to, property used for a roadway project, then the City will pool the SAC/WAC credits (when available) at the time the demo permit is issued.

B. Demolished property that could be rebuilt upon

If a property is demolished and there is no is plan for development within one year, then the City will pool the SAC/WAC (when available) credits a year from the issuance of demolition permit by appealing to the Met Council.

If development is planned, the plan for development must be submitted to the EDA within 12 months after demolition and construction must commence within three years of demolition. If construction under the plan does not commence within three years of demolition, then the City will pool the SAC/WAC (when available) credits three years from the issuance of demolition permit by appealing to the Met Council

If the new user does not utilize most of the available paid credits, the City will pool or attempt to pool the balance of the available credits.

SECTION TWO: PROGRAM GUIDELINES

Given the wide variety of projects that take place in Brooklyn Park and in an effort to best utilize the paid SAC/WAC credits that are available, there will be two fee reduction program options available. Track One will specifically cater to small and new businesses, including restaurants. Track Two will be used as a re-development and development project tool. It is anticipated that approximately half of the credits will be used for each track.

Track One-- Business Fee Reduction Program

Amount to be credited:

The program will credit up to half of the SAC units incurred by an eligible project as assessed by the Metropolitan Council with a maximum of 3 credits issued by the City of Brooklyn Park. For example, if a business is assessed 5 SAC units it would be eligible for a SAC fee reduction of 2.5 credits. With approval from the EDA, more credits can be awarded if the project demonstrates a financial need.

Due to the lower number of available WAC credits, eligible Track One businesses may be eligible to receive up to half their SAC credit allocation in WAC credits (if available). Example: a business that is awarded 2 SAC credits from this program will receive a credit of 1 WAC (if available).

Program Track One Eligibility:

1. An eligible business must be a qualified business type as defined below and have been assessed at least 3 SAC units for a new business or assessed 1 SAC credit for an expanding business;
2. Qualified business types include:
 - a. Independently-owned restaurants or other commercial businesses:
 - i. *Independently owned businesses are defined as businesses that have no corporate headquarters where at least 25% the ownership interests and 25% of the decision-making control of the business is held by a resident of the seven-county metropolitan area, women, people of color, or immigrants.*
 - ii. *Independently-owned businesses do not include franchises of chain brands.*
 - b. All manufacturing and industrial businesses that meet at least one of the following criteria:
 - i. Businesses currently operating in the city that are planning to expand in order to add more capacity for employment (same or new location in Brooklyn Park);
 - ii. Small businesses (25 or less full-time equivalent employees);
 - iii. Businesses (at least 25% stake)-owned by a Brooklyn Park resident; and
 - iv. Business owned (at least 25% stake) and/or operated by women, people of color, or immigrants

Track Two—Project Based Fee Reduction Program

As development continues across the City there is an opportunity to provide a project-based fee reduction to attract development and re-development projects that meet the strategic priorities of the Economic Development Authority. The purpose of this track of the program is to give the EDA broad discretion to award credits to businesses and/or projects that align with the goals of the EDA but do not meet the criteria outlined in track one.

Amount to be Credited:

The amount to be credited will be determined by the EDA with consideration of the financial need of the project.

Program Track Two Eligible Projects:

Eligibility of projects in Track Two of the fee reduction program is based on the discretion of the EDA and will be based on determined community benefit. Track Two can be used for housing, however, developments of only single-family detached units are ineligible.

SECTION THREE: PROGRAM ADMINISTRATION:

Awards of credits through track one of the program will be administered by EDA staff with the Executive Director of the EDA signing-off on all final awards. Awards of credits through track two will be subject to the approval of the EDA.

MEMORANDUM

DATE: July 11, 2019
TO: EDA Commissioners
FROM: Kim Berggren, Executive Director
SUBJECT: Status Update

BUSINESS AND WORKFORCE DEVELOPMENT**Nexus Community Partnership Worker Ownership Initiative Event**

On July 15, Nexus Community Partnership is hosting an event at Diversified Plastics, Inc. to talk with businesses about worker ownership models. This is part of the larger worker ownership initiative work that city staff has been participating in for the last few months. The event will include a short address from Roger Vang, CFO at Diversified Plastics talking about why his company decided to switch to a worker ownership model and how they accomplished it along with some discussion with Nexus's consultant about the benefits of worker ownership. For this first event, Nexus has invited manufacturing businesses from Brooklyn Park and Brooklyn Center.

Metro Cities Housing & Economic Development Policy Committee

Kim Berggren is sitting on the Metro Cities Housing & Economic Development Policy Committee. This committee considers all issues related to economic development, redevelopment and housing. It has developed policies around government's roles in affordable housing, foreclosures and neighborhood stabilization, Met Council housing policy and tax increment financing.

OTHER**Hartkopf Park City Hall on the Go!**

On June 27, the City kicked off the first of three events as part of the City Hall on the Go project. The event was held in Hartkopf Park and had representatives from each City department and some booths from community partners such as Three Rivers Parks District, Hennepin County Library, ACER, and Osseo Area Schools. There were also two food trucks available for hungry attendees! Staff estimates that there were nearly 200 residents at the event.

The idea for City Hall on the Go came after staff had heard from the community that sometimes meetings at City Hall are difficult to get to or that they weren't entirely sure how to learn about what the City is working on. The next City Hall on the Go event is on July 25 at Oak Grove Park from 7pm-8:30pm. The event is coordinated by the Community Engagement team, with help from staff across the organization.

Budget Advisory Commission (BAC)

Kim Berggren gave a presentation about the EDA budget and work at the BAC meeting on June 25, 2019. BAC members had lots of questions about development patterns and the EDA's economic development strategies.

Brookdale Water tower Rehabilitation

The Brookdale water tower located near Birchgrove Elementary School is officially in the process of being rehabilitated! Crews have begun installing the tarp that will be in place on the tower while it is being sand blasted and painted. Crews will also begin the process of cleaning and painting the interior of the tower. Work on the tower is expected to be completed in early fall. The Brookdale water tower will be the first Brooklyn Park water tower with the new brand standards included as part of the repainting process. This image is a rendering of what the tower is expected to look like once it is finished.



Federal Housing Forum

On Friday, June 21st, Development Project Coordinator Erika Byrd, Project Facilitator Sarah Abe, and several Brooklyn Park Council members attended a federal housing forum at the AI-Amaan Center in Minnetonka. Several panels discussed topics ranging from rental barriers to federal programs that support affordable housing. Senator Tina Smith, the keynote speaker, proposed working together in three ways to increase access to housing: growing and supporting programs that already work, providing equal access to housing by upholding fair housing laws and addressing historical discrimination, and finding solutions to the affordable housing shortage that work for both urban and rural areas. The event organizers included New American Development Center, Minnesota Housing, Minnesota Housing Partnership, HOME Line, African Career, Education and Resource, Inc., and Hennepin County. Jewish Community Action, Metropolitan Interfaith Council on Affordable Housing (MICAH), and Homes for All MN also provided support.

Housing Repair Resources Workshop

On Saturday, June 29th, over 70 people attended a Housing Repair Resources Workshop that was held at the Community Activity Center. The City partnered with Twin Cities Habitat for



Humanity and the Center for Energy and Environment to present information on various financial resources and programs available for homeowners, townhome associations and homebuyers. The workshop also provided information on basic home projects repair techniques. Council Member Tonja West-Hafner from the Central District was also in attendance. The workshop was a success and participants left with very positive reviews.

Business Connect Newsletter and other marketing materials

Staff mailed the biannual Business Connect Newsletter to every business in Brooklyn Park at the beginning of June. This edition featured an article about Tacos El Paraiso, a locally-owned restaurant that began as a food truck in New Hope. Other information included development updates, business resources, and a short survey. Results from the survey are coming in and will help staff tailor the content to what businesses find most valuable for future editions of Business Connect.

Along with the Business Connect Newsletter, staff has been creating flyers and other marketing materials for City and EDA funded programs and services. All these materials can be found at City Hall.

Restaurant Week

As part of our ongoing efforts to highlight the diversity of restaurants in Brooklyn Park, staff is planning the City's first ever "Restaurant Week" from September 9-15, 2019. The week will feature a locally-owned restaurant on social media each day with a video and a short article. Participating restaurants will each donate a \$25 gift card to be awarded to people who engage with the post on Facebook. Staff is currently recruiting restaurants to participate and will begin video and article production later this month. The City's communication team is helping design and implement this initiative.

Marketing/Advertising Materials

The EDA continues to maintain a store where people can purchase Brooklyn Park promotional, branded materials (logowear such as t-shirts, hats, coffee mugs, etc.). Staff is working with the communications team to purchase additional promotional materials to distribute at events and through marketing campaigns. Staff is planning to allocate \$2,500 to this activity for the remaining of 2019.

Edinburgh Clubhouse

The renovations at the Edinburgh Clubhouse are almost complete. No new contracts have been signed since the last update report in June. There are some finishing touches that are being completed. Examples of those items are awnings over the patio tables, pergolas on the patio and ceremony location, and installation of gutters on the back of the clubhouse. It is expected that the project will be complete and closed out in order for a final report at the August EDA meeting. Recreation Facilities Manager, Brad Tullberg, has played a key role in the successful implementation of this project.

The Brooklyn restaurant continues to perform well financially. In the two months the restaurant has been open, monthly reported sales are higher than any other monthly sales in the past three years. D'Amico has met with St. Andrews Club members and others, about changes to the menu to bring some additional sandwich options to the dinner menu. The Brooklyn is also hosting "Music on the Patio" on Thursday July 11th to help attract more people to the restaurant.



Center for Innovation and The Arts (CITA)

The Minnesota State College and Universities Board of Trustees passed their 2020 capital program recommendation on June 19. CITA was listed among the projects that will be part of MN State's ask of the legislature as part of a 2020 bonding bill. The request for CITA is \$6.8 Million in State General Obligation Bonds in 2020 for design and \$38 Million in bond funding in 2022 for construction. To kick off this work, North Hennepin Community College and other project partners held a legislative breakfast on June 27. Kim Berggren presented an overview of the project.

Representatives Michael Nelson and Samantha Vang were in attendance among other project partners. EDA staff plan to bring a more detailed project update to the EDA in the coming months.

METRO Blue Line Extension (Bottineau LRT) Update

The METRO Blue Line Extension Corridor Management Committee meeting will be held on July 16, 2019. Stakeholders are encouraged to attend to show support for the project.

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

<http://www.startribune.com/blue-line-expansion-advocates-lobby-minnesota-congressional-delegation/508083582/>

The 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.

Lockridge, Grindal, Nauen PLLP. – Federal Representation Services

EDA staff are extending the term of the agreement with Lockridge, Grindal, Nauen through the end of the year. The Cities of Golden Valley and Robbinsdale along with the Brooklyn Park EDA originally entered into the Federal Representation Services Agreement with Lockridge, Grindal, Nauen, P.L.L.P. (LGN). in July of 2018. The purpose of this agreement is to assist in monitoring, reporting and lobbying related to federal legislative and administrative matters for the Connect Blue Line Now! Coalition. The cost of these services was included in the 2019 EDA budget and the cities of Golden Valley and Robbinsdale also contribute funds to the contract.

MEMORANDUM

DATE: July 11, 2019

TO: EDA Commissioners

FROM: Erika Byrd, Development Project Coordinator

CC: Kim Berggren, EDA Executive Director
Breanne Rothstein, Economic Development and Housing Director

SUBJECT: Housing Update

This memo provides an update to the Economic Development Authority (EDA) on several housing-related items. In addition to updating the EDA, this memo serves to keep interested stakeholders, such as City commissions and community groups informed of this work.

HOUSING POLICY UPDATES

Eviction and CURA Research Project

On June 24, the EDA approved funding for CURA to conduct a year-long qualitative research project in Brooklyn Park to investigate the issues of eviction, housing stability, and renter quality of life. The research will involve interviews with tenants and landlords and will be developed in collaboration with a variety of stakeholders. EDA staff will be working with CURA this summer to help lay the groundwork for the study including applying for grants and other funding, entering into a contract for services, and assisting CURA in the establishment of an advisory council for the research. People interested in being considered for the advisory council should contact Erika.Byrd@brooklynpark.org.

In recent years, the EDA has been focusing on understanding eviction, improving the long-term sustainability of apartment communities, and addressing concerns about quality of life for renters. In 2018, HOME Line completed a quantitative analysis of evictions within Brooklyn Park. Following that report, the EDA expressed interest in engaging those affected by eviction (including landlords and tenants) in conversations. In March of 2019, the City held a facilitated listening session with landlords. A next step that emerged was a potential research project through the Center for Urban and Regional Affairs (CURA) at University of Minnesota.

Tenant Notification Policy

A draft Tenant Notification Ordinance was shared with the City's Human Rights Commission in June. Staff will continue to seek feedback from community and stakeholders this summer and will work to bring an ordinance forward to City Council by September. EDA commissioners indicated an interest in advancing a tenant protection and notice ordinance in 2019. The purpose of such an ordinance is to improve communication practices when apartments sell or change ownership and to provide tenants with more time and resources if they are potentially facing displacement.

Strategic Plan for Affordable Apartments (NOAH Preservation Program)

The NOAH framework and plan will be brought back to the EDA on July 15 for consideration. At the EDA work sessions in March and April, the Commissioners discussed the EDA's strategic priorities. Two housing priorities emerged through these work sessions: 1) developing new programs to rehabilitate and preserve existing naturally occurring affordable housing to ensure long-term affordability and 2) supporting the development of new affordable housing in areas of

the city outside the Zane corridor. Staff presented a high-level program framework for a preservation policy at the June 17 EDA meeting.

Fair Housing Policy

Staff is working to address Council feedback on the Fair Housing Policy and plan to provide an update at the August 12 EDA meeting. The City of Brooklyn Park passed the Policy at the May 13 City Council meeting with the condition that the policy be brought back to City Council within three months for review.

Estimated Timeline of Planned Housing Policy Work

- July 15 – NOAH Preservation Program on agenda at EDA meeting
- August 12 – Update on Fair Housing Policy at City Council work session
- September – Tenant Notification Ordinance at City Council (date TBD) for public hearing and first reading

APARTMENT REHABILITATION

Brooks Landing and Brook Gardens

The rehabilitation of Brooks Landing and Brook Gardens is slated to begin later in 2019. Staff is working this summer with the ownership to put in place a resident communication and engagement plan. The Minnesota Housing Finance Agency recently awarded funding in the amount of \$5.7 million toward the rehabilitation project. 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 contracts and will remain affordable after renovation.

Autumn Ridge Apartments

Rehabilitation work continues at Autumn Ridge Apartments. In 2016, the EDA contributed a loan of \$1.2 million to assist Sherman Associates in the re-investment and rehabilitation of the property while maintaining long-term affordability. Earlier this year, the EDA approved an extension of the loan in order for Sherman Associates to complete additional rehabilitation upgrades that include the installation of the key fob system, security cameras and exterior lighting. Additionally, planning for Phase II of the landscaping and stormwater retrofit project is underway. The project partners including Sherman Associates, Autumn Ridge residents, African Career Education and Resource (ACER), City of Brooklyn Park, the Shingle Creek Watershed Management Commission, and Hennepin County held a kickoff event on June 19th.

OTHER HOUSING ACTIVITY

Huntington Place

The Chief of Police and Community Development Director presented to the City Council on June 10 about concerns with crime, maintenance and management at Huntington Place Apartments, an 834-unit community at Zane and 73rd Avenue. The City has been in communication with Huntington Place owners/managers about potential improvements. Huntington Place ownership has committed to making \$4-5 million of immediate physical investments as well as identifying a caretaker for each of their buildings.