

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK
May 18, 2020 MEETING MINUTES

I. ORGANIZATIONAL BUSINESS:

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

ROLL CALL PRESENT: President Jeff Lunde,
VIA PHONE: Vice President Susan Pha, Treasurer Lisa Jacobson, EDA Secretary
Tonja West-Hafner and Commissioners Mark Mata, Terry Parks and Wynfred
Russell (7:15 pm due to technical difficulties), Staff: Executive Director Kim
Berggren, Economic Development & Housing Director Breanne Rothstein, Project
Facilitator Sarah Abe, Development Project Coordinator Erika Byrd, EDA Attorney
Jim Thomson and Program Assistant Theresa Freund.
ABSENT/EXCUSED: None.

Statement read by President Jeff Lunde: As previously noticed, this meeting of the
Economic Development Authority is being conducted by phone pursuant to
Minnesota Statutes Section 13D.021. I am physically present in the City Council
Chambers. All other Commissioners are participating by phone. All
Commissioners can hear one another and can hear all discussion and testimony.
All votes taken during this meeting will be conducted by roll call. Members of the
public are invited to comment on agenda items by emailing me at
jeffrey.lunde@brooklynpark.org (Subject line: "EDA Testimony") or by texting me
at 763-242-1555.

2. PUBLIC COMMENT AND RESPONSE:

2. A Response to Prior Public Comment: None.

2. B Public Comment: None.

3. APPROVAL OF AGENDA

MOTION LUNDE, SECOND JACOBSON APPROVING THE AGENDA AS
PRESENTED. MOTION CARRIES ON A ROLL CALL VOTE AS FOLLOWS: YES:
PHA, WEST-HAFNER, JACOBSON, PARKS, MATA AND LUNDE. NO: NONE.
ABSENT: RUSSELL.

II. STATUTORY BUSINESS:

4. CONSENT:

4.1 Consider Approving EDA Meeting Minutes.

MOTION LUNDE, SECOND JACOBSON TO APPROVE THE MAY 4, 2020 EDA
MEETING MINUTES. MOTION CARRIES ON A ROLL CALL VOTE AS
FOLLOWS: YES: WEST-HAFNER, JACOBSON, PARKS, MATA, PHA AND
LUNDE. NO: NONE. ABSENT: RUSSELL.

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 Small Business Center Project.

MOTION LUNDE, SECOND JACOBSON TO WAIVE THE READING AND ADOPT RESOLUTION #2020-7 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 SMALL BUSINESS CENTER PROJECT. MOTION PASSED UNANIMOUSLY ON A ROLL CALL VOTE AS FOLLOWS: YES: RUSSELL, JACOBSON, PARKS, MATA, PHA, WEST-HAFNER AND LUNDE. NO: NONE. ABSENT: NONE.

- 6.2 Consider Selecting Duffy Development Company as the Development Team for 6900 85th Avenue North and Directing the Executive Director to Negotiate a Term Sheet

MOTION LUNDE, SECOND JACOBSON TO WAIVE THE READING AND ADOPT RESOLUTION #2020-8 SELECTING DUFFY DEVELOPMENT COMPANY AS THE DEVELOPMENT TEAM FOR 6900 85TH AVENUE NORTH AND DIRECTING THE EXECUTIVE DIRECTOR TO NEGOTIATE A TERM SHEET. MOTION PASSED UNANIMOUSLY ON A ROLL CALL VOTE AS FOLLOWS: YES: JACOBSON, PARKS, MATA, PHA, WEST-HAFNER, RUSSELL AND LUNDE. NO: NONE. ABSENT: NONE.

III. DISCUSSION:

7. DISCUSSION ITEMS

- 7.1 Status Update – Kim Berggren highlighted the following:

- The Brooklyn Park Development Corporation (BPDC) is in the process of providing funds to seventy-one businesses through the Emergency Deferred Loan Program. All the funds set aside by the BPDC will be used for this. Business will be given between \$2,500 and \$5,000. They will remain eligible to apply for the county emergency grant program for small businesses, which is a lottery system. We are hopeful that Brooklyn Park businesses will also benefit from that program. Staff will share more information about the specifics of those businesses at a later date with the EDA.
- We are gearing up to do a second business impact survey. The initial survey was done in partnership with Emergency Operations Center.
- We are also continuing to maintain the resource site on the city's webpage for businesses. The link to that webpage is listed on the bottom of page 1 (<https://www.brooklynpark.org/covid19-5/>). Please refer businesses to that link. Staff is keeping information as current as possible as things are changing, and different programs become available for businesses.

- On page two we are continuing to advance the BrookLynk summer internship program to the extent possible. The EDA had budgeted for one BrookLynk intern to be hosted by the staff and we are working to make that happen this summer. We are also helping support the program by helping match up internships to businesses or whatever form that may take.
- The Nonprofit Emergency Funding is being administered by the city and the EDA staff is helping do the work. The funding for the first \$15,000 of the \$30,000 has been deployed. Those funds are now active in the community. We are working towards disbursing the second \$15,000 for the various groups that were awarded those funds.

Commissioner Tonja West-Hafner stated I have one question, on page 2 of the report under nonprofit emergency fund. It states assist renters with one-to-one informal rental agreements. What does this mean? Does it mean they do not have a written lease? Kim Berggren responded OLM had indicated in their emergency fund application not only food assistance but also a small award for housing support in a couple hundred dollars range but not like a typical rental assistance scenario. That was deemed to be an eligible use and I am not sure if they have chosen to use the funds that way or if all the funding has gone to food assistance. Staff can follow up if you would like more information on that. Staff has found that in some of the homes there are multiple adults living together and paying for the bedroom rent.

Commissioner Lisa Jacobson stated I had asked Kim Berggren earlier if we could get a list similar to the BPDC on who is getting assistance to the Nonprofit Emergency Funding program.

7.2 Housing Update – Erika Byrd highlighted the following:

- The Rental Housing Rehab Loan Program has now been launched. A flyer has been attached to this item, 7.2A that promotes this project. The plan is for the EDA and housing staff to work with rental inspectors to help promote this program as properties are identified that may have a need or interest. CEE is currently administering this program for us.
- The Brooklyn Park Housing Research Project with CURA has been on hold but staff were able to work with them on a plan to work with landlords to do the data collection from them this summer. The next phase, hopefully social distancing practices are worked out, work with residents to do the data collection. This week CURA is inviting eleven different apartment community managers and their teams to sign up for various interviews.
- Last week the Governor's Executive Order 20-53 extended the peacetime emergency to June 12th with that the eviction extension was also extended to June 12th.
- A couple of things are happening in the emergency rental assistance space related to COVID19. CEAP which is in the Brooklyns area received over \$900,000 to do COVID19 related emergency rental assistance. That is for suburban Hennepin County. Staff has been working to get the word out to our apartment communities, both residents and managers, the availability of those funds.

- We know that some additional emergency money is out there. The county currently is seeking proposals for delivery of additional emergency rent assistance. Brooklyn Park staff will be sitting on that selection committee with Hennepin County to help give our perspective on that.

Commissioner Susan Pha stated that the CURA work that is happening despite COVID19 we are moving forward and looking at data collection in a different way than we had originally planned for. Thank you to all the people that are involved in that. Commissioner Tonja West-Hafner and I know how important the work is.

IV. WORK SESSION

8. WORK SESSION ITEMS: Commissioners took a recess at 7:40 pm and reconvened at 7:45 pm. This portion of the meeting of the Economic Development Authority is also being conducted by phone. Present: President Jeff Lunde, Vice President Susan Pha, Treasurer Lisa Jacobson, Secretary Tonja West-Hafner and Commissioners Mark Mata, Terry Park and Wynfred Russell. Executive Director Kim Berggren and Economic Development & Housing Director Breanne Rothstein were present. Absent/Excused: None.

- 8.1 Discuss Senior Affordable Housing Development Opportunity with Bethesda Lutheran Communities in the City of Brooklyn Park. Breanne Rothstein stated you may remember last month at the April EDA work session staff introduced four projects moving forward and next steps. At that time, the EDA had quite a few comments and questions regarding the Bethesda Lutheran Communities Senior Housing project related to the location, the land use, the site plan and overall information about the company.

In commissioners' packets you will see staff has provided additional information about the project and the developer. Bethesda is a newer nonprofit housing developer in Minnesota. They have been around for a long time. They started as a human service company for people with intellectual and developmental disabilities (IDD). As the company grew, they added a nonprofit housing development and property management arm to their services. They are a faith-based organization that provides residential support, behavioral support and community activities.

The proposed project in Brooklyn Park is called Cornerstone Village which aims to address affordable housing and housing that is needed for IDD clients. It is really to create a meaningful model for social engagement within an apartment community. So far Bethesda has done one project in Minnesota located in Victoria that recently opened. As they have been managing the property, they have found a good synergy between seniors and adults with IDD. That is what they are proposing in this project as well with a total of 130 units with 106 being for seniors 65+ and 24 would be reserved for adults with IDD. Of those units 62% are proposed to be affordable at 30% and 50% of the area median income. Those two thresholds require a lot of different financing sources to come together to create that level of affordability.

Their projects provide a lot of community amenities and this project is no exception. As this project moves forward to the Planning Commission and City Council entitlement process more information will be provided about this specific site.

During the work session last month, we talked about giving a little more context about where this site was and what is planned around it. We have provided a site location map which shows it is just off TH610 and Jefferson Highway. This area is part of a larger planned development district called The Gateway District. We have provided a rough layout plan showing what they want to do for accommodating parking as well as the building footprint. Some of the slides provided show projects that Bethesda has built and developed. As they move forward to finalize their exact architectural renderings and before you are required to make a final decision on financing or the site and land use approvals, you will have more information from them.

In terms of the building concept and the variety of features and amenities that will be proposed they will be catering to their senior and IDD clients. There is going to be a higher level of amenities in the units. They are going to be more universally designed friendly wider doorways, smart-home technology, different configurations to the kitchen to accommodate different needs. That is one unique aspect of this project.

In terms of what they are asking from the Economic Development Authority the total is about \$3.3 million in financial assistance and that breaks down to \$2 million in tax increment financing. This project will be in a new housing district and will only be this property. The assistance will be in a pay-as-you-go note so as the taxes are generated over 26 years those will funneled back to the property to cover the affordability gap. In addition, there is a \$1 million ask for deferred financing that will be a loan that will be structured favorably to the developer. They have also requested a little over \$100,000 in sewer and water access fee reductions. While that makes their application more competitive with the Minnesota Housing Tax Credit Project there are several ways the EDA can finance that. It does not necessarily have to be the bottom line of our sewer and water fund. We can replenish that with tax increment or other EDA funds as well.

The developer plans to submit an application for LCDA funding and this would be the demonstration grant that they do for development in the amount of \$1.7 million. This would be an assistance request of \$17,000 per unit for the senior market rate and \$32,000 per unit for affordable units.

In terms of next steps, the reason we are bringing this back to a work session is so that the EDA can ask any questions before we move this to a more formal staff approving a resolution of support for EDA financing. That is also required as part of the submittal to Minnesota Housing in order to make the application the most competitive it can be. Minnesota Housing tax credit dollars are very competitive and they will be asking for Housing Infrastructure Bonds so everything they can do to make their application more competitive is what they are looking at doing and one of the things they can do is get a resolution of support from the city to commit financing. This is a little uncustomary for the EDA to do but it is part of the Minnesota Housing application process. Additionally, formal support from the EDA also increases the competitiveness of other state resources and those

things will make them more likely to get their funding. Before we move forward with a formal ask next month, we wanted to bring this back at work session one more time to answer any questions or make any adjustments you would like to see before we proceed to formal action.

What we are asking for tonight is a discussion about the project and to gauge your general willingness to financially contribute to this concept.

President Jeff Lunde called upon each commissioner to provide an opportunity to give feedback and ask questions of the project. Most commissioners indicated they were supportive of the project and would like more information on this type of housing. An area of concern was the financing requests and not setting any precedent. Commissioners asked for more detail on the financing and also what underwriting guidelines the EDA's financial consultant looked at.

Kristine Giornalista, Senior Director Real Estate Development for Bethesda Lutheran Communities was present and answered commissioners' questions on social services provided to residents and on the percentage of senior residents and IDD residents.

- V. ADJOURNMENT:
Meeting adjourned at 8:16 p.m.