

Monday, March 18, 2024  
6:00 p.m.

## REGULAR EDA MEETING – AGENDA #3

President Hollies Winston, Vice President Nichole Klonowski, Treasurer Christian Eriksen,  
Commissioners Boyd Morson, Xp Lee, Maria Tran, and Tony McGarvey  
Executive Director Kim Berggren, Assistant Executive Director Jay Stroebel, and Secretary Seng Moua.

If you need these materials in an alternative format or reasonable accommodations for an EDA meeting, please provide a 72-hours' notice to Seng Moua by calling 763-493-8059 or emailing [Seng.Moua@brooklynpark.org](mailto:Seng.Moua@brooklynpark.org).

Si usted necesita esta información en español, llame al 763-424-8000 y solicite un intérprete.  
Yog xav tau kev pab, hu 763-493-8059.

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

### ***Our Brooklyn Park 2025 Goals:***

***• A united and welcoming community, strengthened by our diversity • Beautiful spaces and quality infrastructure make Brooklyn Park a unique destination • A balanced economic environment that empowers businesses and people to thrive • People of all ages have what they need to feel healthy and safe • Partnerships that increase racial and economic equity empower residents and neighborhoods to prosper • Effective and engaging government recognized as a leader***

***Meeting will be called to order in room A203. This portion of the meeting will not be televised but will be audio recorded.***

### **I. ORGANIZATIONAL BUSINESS**

#### **1A. CALL TO ORDER/ROLL CALL**

#### **1B. APPROVAL OF AGENDA**

### **II. WORK SESSION**

#### **2. WORKSESSION ITEM**

- 2.1** Discuss Next Steps for the Development Project at 4201 95th Ave North (Former Park & Ride Site)
  - A.** LOCATION MAP
  - B.** PARK & RIDE SITE DIAGRAMS

***Meeting will be recessed and reconvened in the Council Chambers. This portion of the meeting will televise.***

### **III. PUBLIC INVOLVEMENT**

#### **3. PUBLIC COMMENT AND RESPONSE**

Provides an opportunity for the public to address the EDA on items which are not on the agenda. Public Comment will be limited to 15 minutes (*if no one is in attendance for Public Comment, 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 members of the public. Questions from the EDA will be for clarification only. Public Comment will not be used as a time for problem-solving or reacting to the comments made but, rather, for hearing from members of the public for informational purposes only.

#### **3A. RESPONSE TO PRIOR PUBLIC COMMENT**

- 3B. PUBLIC COMMENT
- 3C. PUBLIC PRESENTATIONS
- 3D. PUBLIC ANNOUNCEMENTS

**IV. STATUTORY BUSINESS AND/OR POLICY IMPLEMENTATION**  
**4. CONSENT**

- 4.1** Consider Approving the 2024 EDA Meeting Minutes
  - A.** FEBRUARY 20, 2024 DRAFT REGULAR MEETING MINUTES
- 4.2** Consider Approving a Professional Agreement with PSI Tech Support for the Management of IT Services for the Brooklyn Park Small Business Center
  - A.** RESOLUTION
  - B.** CONTRACT

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**

**6. GENERAL ACTION ITEMS**

- 6.1** Consider Approving Funding Distribution and Program Guideline Changes to the Home Improvement Loan Programs Administered by the Center for Energy and Environment
  - A.** RESOLUTION
  - B.** CEE DOWNPAYMENT ASSISTANCE MORTGAGE DOCUMENT
  - C.** CEE LOAN AGREEMENT DOCUMENT
  - D.** 2024 PROGRAM FUNDING DISTRIBUTION
  - E.** HOME IMPROVEMENT LOAN PROGRAM GUIDELINES

**V. DISCUSSION – These items will be discussion items, but the EDA may act upon them during the meeting.**  
**7. DISCUSSION ITEMS**

- 7.1** Status Updates
  - A.** SBC MEMBERSHIP REPORT
- 7.2** Housing Updates
- 7.3** Verbal Commissioner Reports and Announcements

**VI. 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. Items requiring excessive time may be continued to another meeting.

# City of Brooklyn Park EDA WORK SESSION

<b>Agenda Item No:</b>	2.1	<b>Meeting Date:</b>	March 18, 2024
<b>Agenda Section:</b>	Work Session	<b>Prepared By:</b>	Sarah Abe, Development Project Coordinator
<b>No. of Attachments</b>	2	<b>Presented By:</b>	Sarah Abe, Development Project Coordinator
<b>Item:</b>	Discuss Next Steps for the Development Project at 4201 95th Avenue North (former Park & Ride Site)		

## Overview:

In August 2023, the Brooklyn Park Economic Development Authority (EDA) passed a resolution selecting MVP Development, Design by Melo, and Good Neighbor Homes as the developer for the former Park & Ride site at 4201 95th Avenue North. The resolution also directed staff to enter into negotiations for a term sheet and purchase agreement for the property. The vision for the site that was developed through multiple community engagement sessions included 3 components: a 115-unit multifamily housing community, 44 owner-occupied townhomes on the east side of the site serving as a buffer with the single-family homes in the adjacent neighborhood, and a standalone commercial project. However, after contracting with NEOO Partners to conduct a financial feasibility analysis, there are significant concerns on the financial viability of the site. The purpose of this work session is to discuss the EDA's direction on next steps.

## Background:

In 2018 the EDA purchased the old Metro Transit Park and Ride site for \$1,255,800 to ensure its use as an asset for the community. The 6.85-acre parcel located at Noble Parkway and Highway 610 is a prime redevelopment site with great connectivity, visibility, and embedded in a strong residential area with commercial uses and a school nearby. Because the site is owned by the Brooklyn Park EDA, it offers a unique opportunity to guide its redevelopment toward uses that will benefit the community and help shape future investments in the area. The property is currently designated as Institutional in the Comprehensive Plan and zoned as Public Institution. The Comprehensive Plan will need to be amended and the zoning designation changed to guide the property in a manner consistent with the development goals.

Between February 2020 and November 2021, the Brooklyn Park Economic Development Authority (EDA) contracted with Local Initiatives Support Corporation (LISC) – Twin Cities to engage the local community in a Corridor Development Initiative (CDI) process regarding the site. The workshops resulted in a supported set of guidelines for future development. The guidelines emphasize a mix of uses and design features that accommodate the single-family home development to the east as well as public safety and connection with neighborhood amenities. Using these principles, the EDA approved a Request for Qualifications (RFQ) that was open from September 26 to October 28, 2022. The RFQ attached the full recommendations from the CDI report which included summaries of the workshops, comments and concerns expressed during the process, and the development goals that were generated.

After a rigorous selection process that included various steps such as a scoring committee review of submissions, interviews with the development teams, additional financial feasibility analysis, and an Open House event with the top-scoring developers, EDA staff recommended selecting MVP, Design by Melo, and Good Neighbor Homes. The EDA tabled that action in March 2023 and directed the development team to modify its proposal to bring additional market value to the site, serve a mix of incomes, and introduce high quality and well-designed buildings. The developer hosted a series of community engagement workshops in June and July and modified its proposal as directed by the EDA and the engagement workshops. Modifications included more for-sale housing and more green space to create a larger buffer between the adjacent neighborhood and the new development, reducing the number of affordable rental units available, increasing affordable homeownership

opportunities, and pursuing a higher-end retail strategy. In August, based on these changes, the EDA approved selecting the developer for the site and directed staff to move forward to negotiate the term sheet and purchase agreement. Last fall, Good Neighbor Homes exited the development team and Design by Melo and MVP partnered with NEOO Partners to conduct the financial analysis.

### Primary Issues/Alternatives to Consider:

The development team, now consisting of MVP Development, Design by Melo, and NEOO Partners, created preliminary site plans and a full proforma based on the proposal of 115 apartment units, 44 townhomes and a standalone commercial component. While the numbers are still very preliminary, the proposed gap on this project is significant and summarized in Table 1 below.

*Table 1. Preliminary gap by project phase*

Project phase	Preliminary gap
115-unit multifamily community	\$2.875M cash contribution, ~\$2M TIF, \$1.2M land write down
44 townhomes	\$14M
Standalone commercial	~\$1M
<b>Total gap</b>	<b>\$21M</b>

The first phase, the multifamily project, represents a nearly \$6M gap, or \$41,667 per unit which is almost double the per unit subsidy for any other project supported by the EDA. The additional phases of this project (townhomes and commercial components) are not currently feasible according to the analysis done by NEOO Partners.

Staff and the development team discussed how to address the feasibility concerns and the developer has identified three options as follows:

- 1) Continue with phase one of the attached Model #1, which is currently estimated to require about \$6M in development subsidy. Phases two and three of the proposed project are currently not financially feasible.
- 2) Increase affordability levels and seek Low Income Housing Tax Credits (LIHTC), which unlocks significant additional funding sources and could reduce the financial gap. (Could be applied to Model #1 or Model #2)
- 3) Increase the density of the site as shown in Model #2, thereby reducing the per unit subsidy and allowing a longer phased approach.

Both these solutions are at odds with substantial community engagement efforts which included a Corridor Development Initiative 4-workshop series in 2020/2021, the developer selection process in 2022 which included an Open House, and two additional workshops on site modification conducted in 2023. While there were a wide variety of opinions expressed during these various engagement efforts, the immediate neighbors repeatedly indicated a preference for less dense options with lower numbers of affordable units.

Staff is seeking EDA direction on this project. In addition to the three options above, the EDA could consider 4) waiting for market conditions to improve or 5) providing another direction for staff.

### Budgetary/Fiscal Considerations:

Budget implications vary widely based on the direction preferred by the EDA.

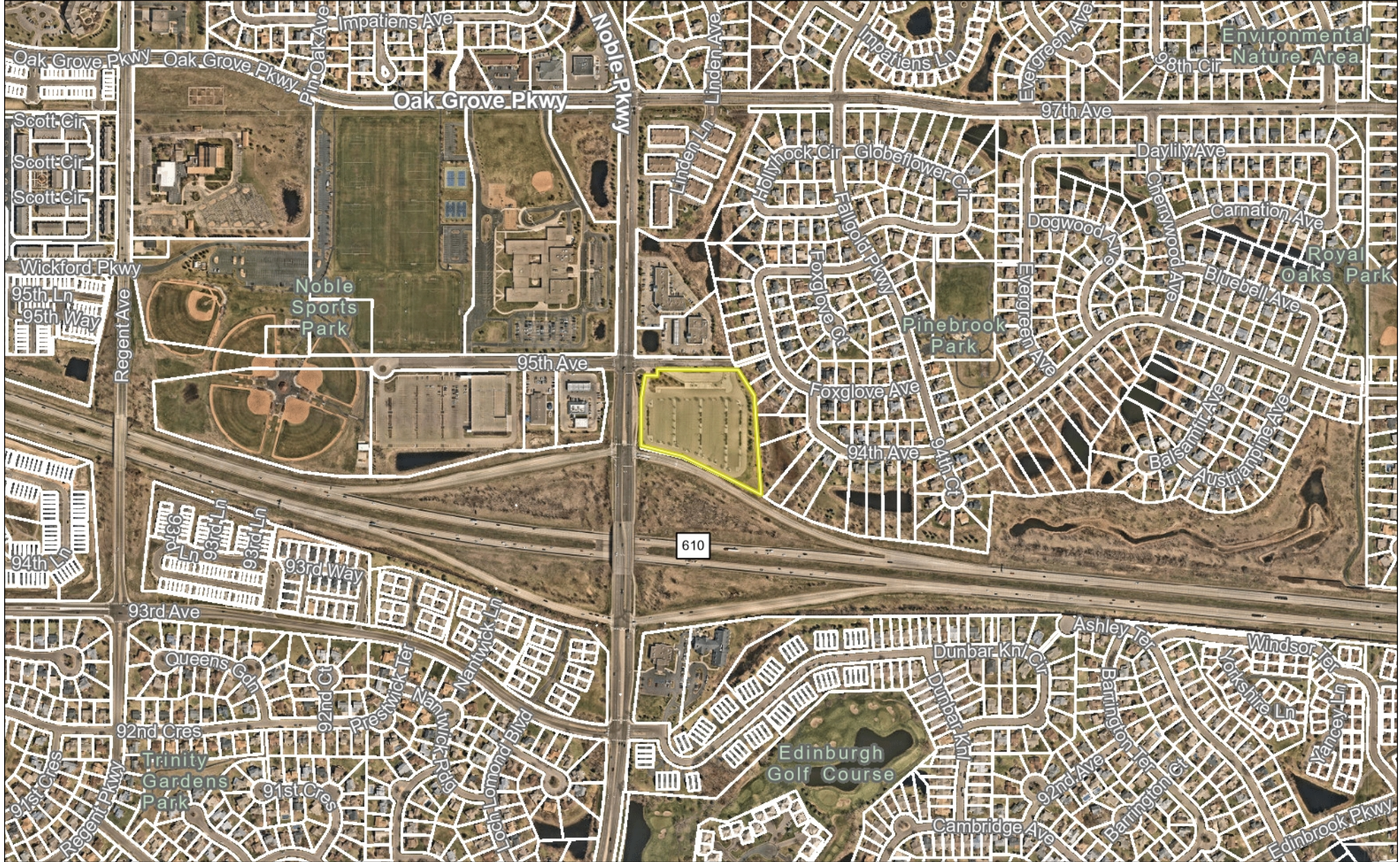
### Next Steps:

Based on the EDA direction tonight, staff will work with the development team on the proposed next steps and bring back an item for consideration by the EDA.

### Attachments:

- 2.1A LOCATION MAP
- 2.1B PARK & RIDE SITE DIAGRAMS



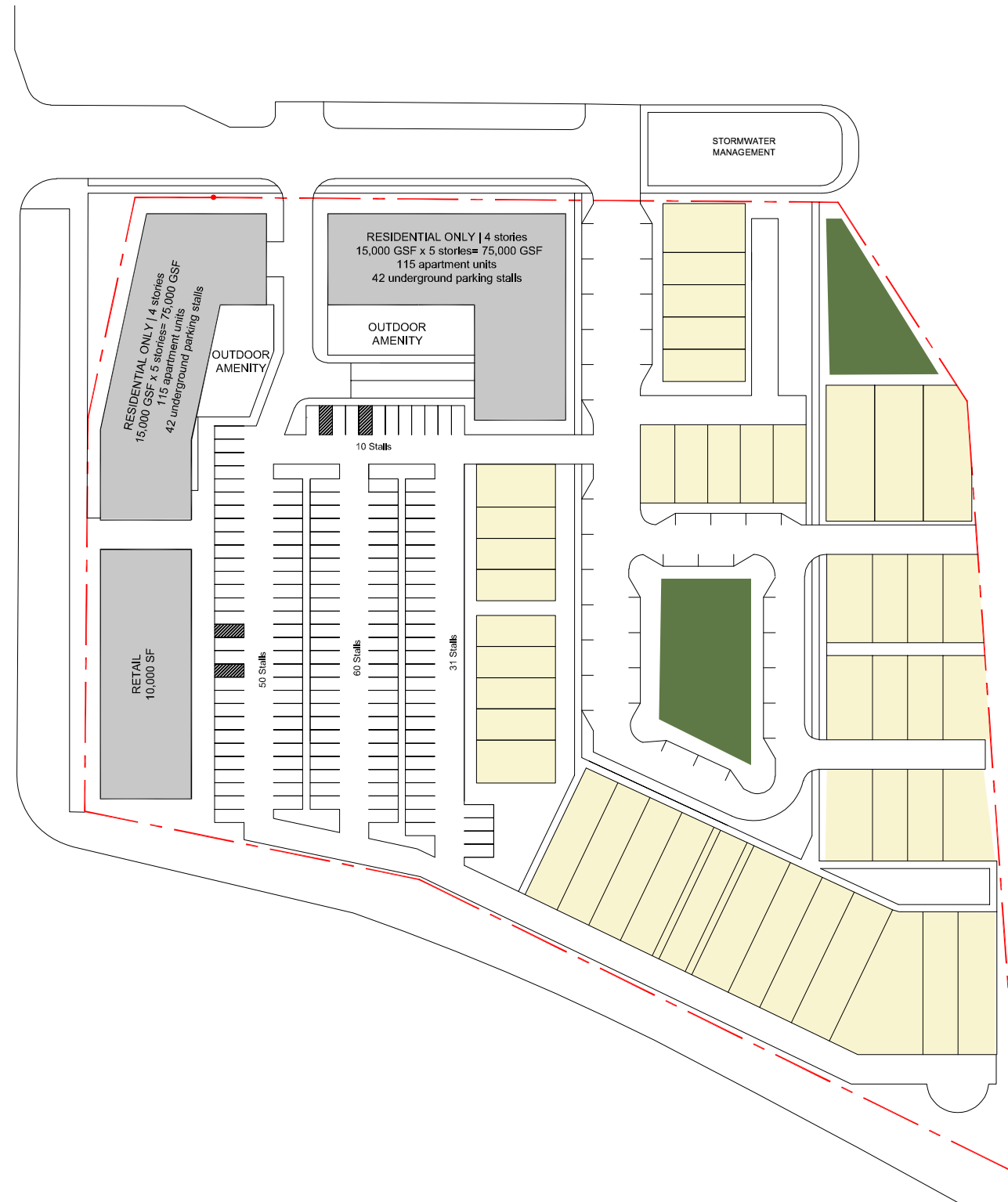


Map Scale = 1: 8,381

698 ft 1 in

Map provided by the City of Brooklyn Park, MN. This map is for general reference only. It is not for legal, engineering, or surveying use. Please contact the sources of the information if you desire more details. [www.brooklynpark.org](http://www.brooklynpark.org)



**MODEL 1 | HIGH DENSITY**

1 Retail Building @ 10,000 GSF  
 2 Residential Only Buildings | 4 stories  
 36 Single-family homes

**UNITS:**  
 230 units (0, 1 & 3 bedroom units)/multifamily  
 36 units / townhomes for sale

**PARKING:**  
 84 underground parking stalls  
 183 surface parking stalls  
 267 Parking Total | Ratio 1.16 for apartments  
 Townhomes have their own 1-stall garage

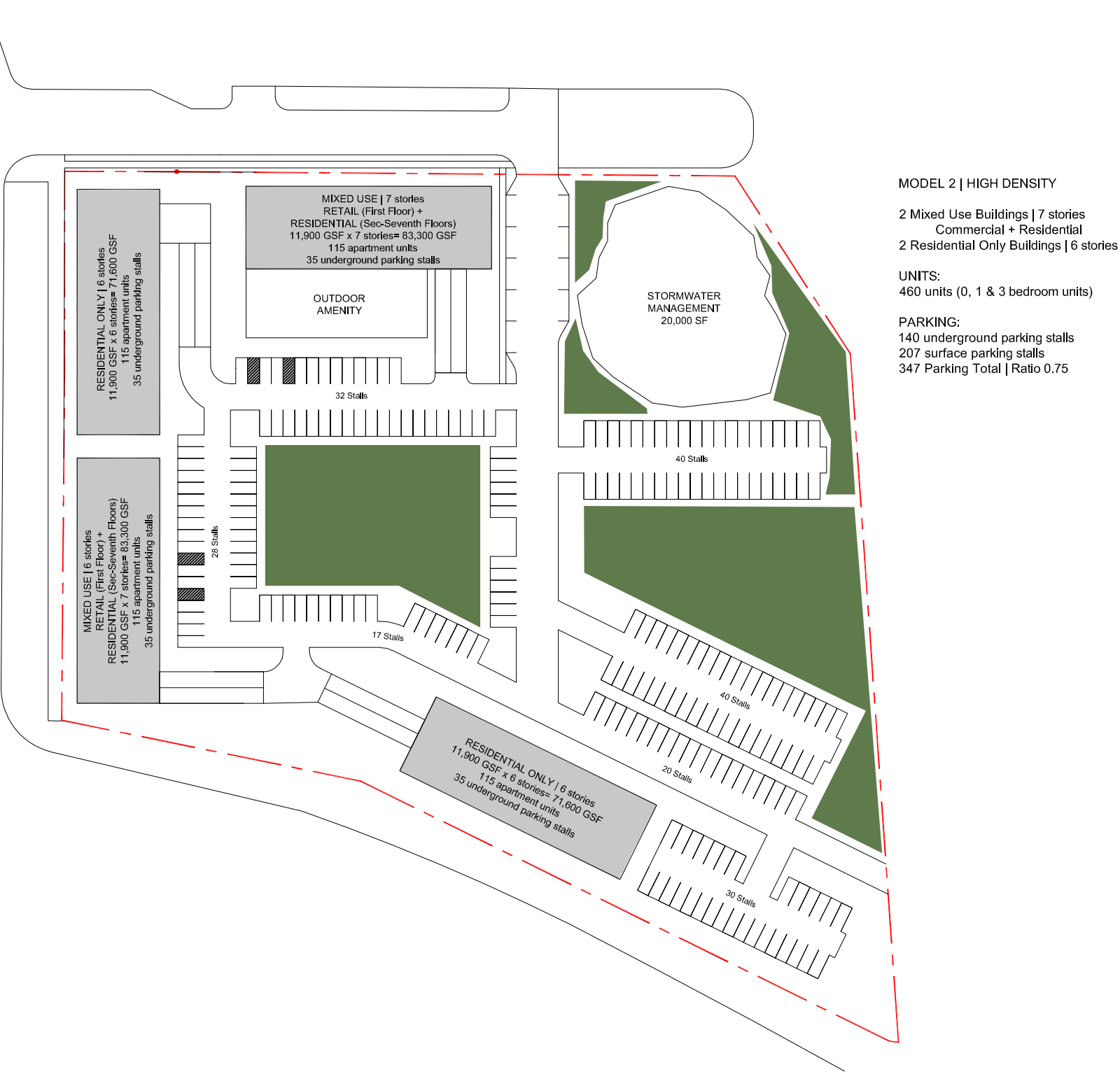
**DESIGN BY MELO**

1600 Utica Avenue South Suite 900  
 Minneapolis MN 55416  
 + 612.280.8419  
 damaris@designbymelo.com

**SITE DIAGRAM | MODEL 1****BROOKLYN PARK | PARK & RIDE SITE**

4201 95th Avenue North  
 Brooklyn Park MN 55443

DESIGN  
 BY MELO



**DESIGN BY MELO**

1600 Utica Avenue South Suite 900  
Minneapolis MN 55416  
+ 612.280.8419  
damaris@designbymelo.com

**SITE DIAGRAM | MODEL 2**

**BROOKLYN PARK | PARK & RIDE SITE**

4201 95th Avenue North  
Brooklyn Park MN 55443

DESIGN  
BY MELO

# City of Brooklyn Park Request for EDA Action

Agenda Item:	4.1	Meeting Date:	March 18, 2024
Agenda Section:	Consent	Prepared By:	Seng Moua, EDA Secretary
Resolution:	N/A	Presented By:	Kim Berggren, Executive Director
Attachments:	1		
Item:	Consider Approving the February 20, 2024 EDA Meeting Minutes		

## Executive Director's Proposed Action:

MOTION \_\_\_\_\_, SECOND \_\_\_\_\_, TO APPROVE THE FEBRUARY 20, 2024 EDA MEETING MINUTES.

**Overview:** The minutes are much shorter because staff changed the process for completing minutes. Per the EDA attorney, the information provided within the February meeting minutes are the minimum required by law.

For several years the minutes have been produced by an outside vendor. With the availability of online video recordings of the meetings, minutes are rarely used as a reference for previous meeting discussions. Therefore, staff recommends reducing the information provided in the minutes to the minimum required by law so they can be completed in house.

**Primary Issues/Alternatives to Consider:** N/A

**Budgetary/Fiscal Issues:** This change to produce minutes in house will save the EDA about \$150-300 per meeting.

## Attachments:

4.1A FEBRUARY 20, 2024 DRAFT REGULAR MEETING MINUTES





**Economic Development Authority**  
 City Hall (Council Chambers)  
 5200 85th Ave N, Brooklyn Park, MN 55443

Tuesday, February 20, 2024  
 6:00 p.m.

## REGULAR EDA MEETING MINUTES – #2

President Hollies Winston, Vice President Nichole Klonowski, Treasurer Christian Eriksen,  
 Commissioners Boyd Morson, Xp Lee, Maria Tran, and Tony McGarvey  
 Executive Director Kim Berggren, Assistant Executive Director Jay Stroebel, and Secretary Seng  
 Moua.

### I. ORGANIZATIONAL BUSINESS

#### 1. CALL TO ORDER/ROLL CALL at 6:05 p.m.

**PRESENT:** Commissioners' Lee, Tran (virtual), Eriksen, Klonowski, Morson, and President Winston

**ABSENT:** Commissioner McGarvey (Arrives at 6:10 PM)

#### 2. APPROVAL OF AGENDA

MOTION TO ADD GENERAL ACTION ITEM BEFORE 6.1 TO RATIFY NEW SEATING ARRANGEMENT FOR THE ECONOMIC DEVELOPMENT AUTHORITY.

**MOTION:** ERIKSEN SECOND: KLONOWSKI

**AYES:** TRAN, ERIKSEN, KLONOWSKI, LEE, WINSTON

**NAYS:** MORSON

**ABSENT:** MCGARVEY

MOTION TO REMOVE FROM THE AGENDA ITEM 6.1 CONSIDER APPROVING TERM SHEET BETWEEN THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY AND DUFFY DEVELOPMENT FOR THE DEVELOPMENT OF TESSMAN RIDGE PHASE II VIA TABLING THE ITEM

**MOTION:** KLOWNOSKI SECOND: LEE

**AYES:** LEE, TRAN, ERIKSEN, KLONOWSKI, WINSTON

**NAYS:** NONE

**ABSTENTION:** MORSON

**ABSENT:** MCGARVEY

COMMISSIONER MCGARVEY ARRIVES AT 6:10 PM

APPROVAL OF AMENDED AGENDA

**MOTION:** ERIKSEN SECOND: KLONOWSKI

**AYES:** TRAN, ERIKSEN, KLONOWSKI, LEE, MCGARVEY, WINSTON

**NAYS:** MORSON

**ABSENT:** NONE

### II. PUBLIC INVOLVEMENT

#### 3. PUBLIC COMMENT AND RESPONSE

**3A. RESPONSE TO PRIOR PUBLIC COMMENT - None**

**3B. PUBLIC COMMENT**

PUBLIC COMMENT MADE BY COLLETE GUYOTT HEMPLE REGARDING COMMUNITY ISSUES.

PUBLIC COMMENT MADE BY JEFF VON FELDT REGARDING REMOVED AGENDA ITEM ON TERM SHEET BETWEEN THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY AND DUFFY DEVELOPMENT FOR THE DEVELOPMENT OF TESSMAN RIDGE PHASE II

**3C. PUBLIC PRESENTATIONS - None**

**3D. PUBLIC ANNOUNCEMENTS - None**

### **III. STATUTORY BUSINESS AND/OR POLICY IMPLEMENTATION**

#### **4. CONSENT**

MOTION KLONOWSKI, SECOND LEE TO APPROVE THE CONSENT AGENDA.

**AYES:** ERIKSEN, KLONOWSKI, LEE, MCGARVEY, MORSON, TRAN, WINSTON

**NAYS:** NONE

MOTION PASSED UNANIMOUSLY.

#### **4.1 Consider Approving the 2024 EDA Meeting Minutes**

**A. JANUARY 16, 2024 DRAFT REGULAR MEETING MINUTES**

#### **4.2 Consider Amending the 2024 EDA Budget to Allow a Line-Item Adjustment Between Contractual**

Services and Personnel for WorkForce Development

**A. RESOLUTION**

MOTION KLONOWSKI, SECOND LEE, TO WAIVE THE READING AND ADOPT RESOLUTION #2024-05 AMENDING THE 2024 EDA BUDGET TO ALLOW A LINE-ITEM ADJUSTMENT BETWEEN CONTRACTUAL SERVICES AND PERSONNEL FOR WORK FORCE DEVELOPMENT.

**AYES:** ERIKSEN, KLONOWSKI, LEE, MCGARVEY, MORSON, TRAN, WINSTON

**NAYS:** NONE

MOTION PASSED UNANIMOUSLY.

#### **5. PUBLIC HEARINGS - None**

#### **6. GENERAL ACTION ITEMS**

##### **6.1 Consider Ratifying New Seating Arrangement for the Economic Development Authority Through December 31, 2024**

**MOTION:** ERIKSEN SECOND: KLONOWSKI

**AYES:** TRAN, ERIKSEN, KLONOWSKI, LEE, MCGARVEY, MORSON, WINSTON

**NAYS:** NONE

MOTION PASSED UNANIMOUSLY.

##### **6.2 Consider Approval of Amended and Restated Professional Services Agreement for Small Business Center Operations**

**A. RESOLUTION**

**B. 2024 SMALL BUSINESS CENTER OPERATING BUDGET (FUND 293)**

**C. AMENDED AND RESTATED AMENDMENT**

**D. AMENDED AND RESTATED AGREEMENT – REDLINE FROM ORIGINAL**

Indred Alexander of I Alexander Agency is requesting an amendment to the professional services agreement for operations of the Brooklyn Park Small Business Center. The amendment includes added scope and increased fee. She is also requesting an amendment of the contract to be extended through 2025.

MOTION MORSON, SECOND LEE, TO WAIVE THE READING AND ADOPT RESOLUTION #2024-06 APPROVING AN AMENDED AND RESTATED PROFESSIONAL SERVICES AGREEMENT FOR SMALL BUSINESS CENTER OPERATIONS.

**AYES:** KLONOWSKI, LEE, MORSON, MCGARVEY, TRAN, ERIKSEN, WINSTON

**NAYS:** NONE

MOTION PASSED UNANIMOUSLY.

**IV. DISCUSSION – These items will be discussion items, but the EDA may act upon them during the meeting.**

**7. DISCUSSION ITEMS**

**7.1** Status Updates – Staff presented verbal updates based on the information provided in the staff report and answered questions.

**A.** BPSBC MEMBER LIST

**7.2** Housing Updates – Staff presented verbal updates based on the information provided in the staff report

**7.3** Verbal Commissioner Reports and Announcements – Board Members provided verbal updates

**V. ADJOURNMENT**

Meeting adjourned at: 7:15 P.M.

The Brooklyn Park Economic Development Authority's agenda and packet is posted on the City's website.

To access the agenda and packet, go to [www.brooklynpark.org](http://www.brooklynpark.org).

**The next scheduled EDA meeting is Monday, March 18, 2024.**

# City of Brooklyn Park

## Request for EDA Action

<b>Agenda Item:</b>	4.2	<b>Meeting Date:</b>	March 18, 2024
<b>Agenda Section:</b>	Consent	<b>Prepared By:</b>	Malcolm Hicks, Business Development Coordinator
<b>Resolution:</b>	X	<b>Presented By:</b>	Malcolm Hicks, Business Development Coordinator
<b>Attachments:</b>	2		
<b>Item:</b>	Consider Approving a Professional Agreement with PSI Tech Support for the Management of IT Services for the Brooklyn Park Small Business Center		

### Executive Director's Proposed Action:

MOTION \_\_\_\_\_, SECOND \_\_\_\_\_, TO WAIVE THE READING AND ADOPT RESOLUTION #2024-\_\_\_\_\_, APPROVING A PROFESSIONAL AGREEMENT WITH PSI TECH SUPPORT FOR THE MANAGEMENT OF IT SERVICES FOR THE BROOKLYN PARK SMALL BUSINESS CENTER.

### Overview:

The Small Business Center project is a new venture for the Brooklyn Park Economic Development Authority (EDA). As part of the project plan, the Small Business Center requires a professional service provider to manage the Center's IT services and needs. The purpose of this action is to authorize the Executive Director to enter into an agreement with a new IT vendor.

### Background:

On April 11th of 2023, the EDA entered into an agreement with MN Tech LLC to install an IT network and provide information technology installation and support to the Small Business Center.

After many months of working through the small business center needs, and a much better understanding of how it will operate, the contract was later amended to include additional services needed. The amended contract is set to reach the end of its term on April 1, 2024.

EDA staff is recommending contracting with PSI Tech Support as a vendor to provide Managed It Services for the Small Business Center. As a Brooklyn Park resident and current member of the Small Business Center, PSI Tech possesses over 30+ years of experience in IT Support Services. PSI Tech's Programming Solutions Inc team can confidently handle the myriad of computer challenges that the center faces.

EDA staff requested quotes from multiple vendors but only received one response. This new contract for services will have a lower cost than the previous one with MN Tech LLC.

### Primary Alternatives/Issues to Consider:

- **What are the proposed terms of the Managed IT Services agreement?**

**Duration:** *One year*

**Cost:** *\$21,768 base*

*Cost Breakdown*

- Base Monthly Fee: \$1,814, based upon an average of 9 calls per month
- Excess Calls (if >9/month): \$128 per call billed at 15-minute increments



**Scope:**

- 24X7 technical support services as described in the 6.2B

**Budgetary/Fiscal Impacts:**

Funding will come from the 2024 Small Business Center Fund 293 and is already budgeted.

**Next Steps:**

Execute a Professional Services Agreement with PSI Tech Support for the management of IT Services for the Brooklyn Park Small Business Center

**Recommendation:**

The Executive Director of the EDA recommends approval.

**Attachments:**

4.2A RESOLUTION

4.2B CONTRACT

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

RESOLUTION #2024-\_\_\_\_\_

APPROVING A PROFESSIONAL AGREEMENT WITH PSI TECH SUPPORT FOR THE  
MANAGEMENT OF IT SERVICES FOR THE BROOKLYN PARK SMALL BUSINESS CENTER

WHEREAS, the Brooklyn Park Economic Development Authority (“EDA”) has developed a small business center located at Northwind Plaza; and

WHEREAS, the EDA had to partnered with MN Tech as a professional services provider for the management of the IT Services of for center with MN Tech’s Contract set to end April 1<sup>st</sup>, 2024; and

WHEREAS, the terms and conditions of new service provider have been negotiated with PSI Tech Solutions, according to the agreement under consideration;

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

1. That the attached Professional Services Agreement is hereby approved in substantially the form presented to the Board, and any necessary and appropriate modifications, deletions, and additions thereto which may be approved by legal counsel to the Authority and the officers authorized to execute Amendment.
2. The authority to approve, execute and deliver future amendments to the Professional Services Agreement is hereby delegated to the Executive Director, subject to the following conditions: (a) such amendments or consents to not materially adversely affect the interests of the EDA; (b) such amendments or consents do not contravene or violate any policy of the EDA, the City or applicable provision of law, and (c) such amendments or consents are acceptable in form and substance to the counsel retained by the EDA to review such amendments.

## **BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY SMALL PROJECT WORK AGREEMENT**

This information technology installation and support agreement ("Agreement") is made this \_\_\_\_ day of \_\_\_\_\_, 2024 ("Effective Date"), by and between the Brooklyn Park Economic Development Authority (the "EDA") and PSI TECH SUPPORT, LLC a Minnesota limited liability company ("PSI TECH") to install, train, and maintain IT network services.

In consideration of the mutual covenants and promises contained in this Agreement, the EDA and PSI TECH agree as follows:

### **I. SCOPE OF SERVICES**

1. The EDA agrees to engage PSI TECH to install an IT network as further described in Exhibit A, collectively referred to as "Services", and PSI TECH agrees to perform the Services in a satisfactory and proper manner.

### **II. COMPENSATION AND TIMING OF PAYMENT**

1. The EDA agrees to pay PSI TECH \$1,814.00 per month for the Monthly Services, as documented in Exhibit A, as follows:
  - a. Beginning upon signature of this contract and continuing monthly until May 1, 2025, PSI TECH may request reimbursement for Services by providing an itemized invoice in a form acceptable to the EDA, which must include proof of payment for equipment and certified hours for labor performed as part of the Services.
  - b. The EDA will provide payment within 45 days of receipt of a monthly invoice.
  - c. Payment of tech support hourly rate of \$128.00 for hours in excess of nine per month;

### **III. DUTIES**

1. PSI TECH will complete all Services, reporting, and final invoicing by May 31, 2025.
2. PSI TECH must receive written permission from the EDA prior to release, posting, publication, or any other dissemination of any material, whether physical or digital, that references the work performed under this Agreement, the EDA, the City of Brooklyn Park, or any elected or appointed official or staff member of the EDA of City of Brooklyn Park.

### **IV. CONTRACT TERM**

1. This Agreement shall commence as of the Effective Date and shall terminate on May 1, 2025. This Agreement may be extended by an additional 12-month term, upon the EDA providing written notice to PSI TECH by April 1 and PSI TECH providing written acceptance of the additional 12-month term by May 1 in any subsequent year.
2. The EDA and its staff reserve the right to ask for information regarding the Services at any time. The EDA and its staff reserve the right to contact individuals who have received services from PSI TECH at any time.
3. Termination of Agreement. The EDA and PSI TECH both shall have the right to terminate this Agreement at any time and for any reason by submitting written notice of termination to the other party at least thirty (30) calendar days prior to the

specified effective date of the termination. In addition, the EDA shall have the right to terminate this Agreement on ten (10) calendar days' written notice if PSI TECH's performance is not timely or is substantially unsatisfactory or if PSI TECH has violated any of the terms, conditions, or agreements contained in this Agreement. In either event, on the termination of this Agreement, all finished and unfinished documents and work papers prepared by PSI TECH pursuant to this Agreement shall become the property of the EDA, as provided in Section IV, and PSI TECH will be paid for services satisfactorily performed up to the date of the termination of the Agreement.

4. Upon termination, PSI TECH shall return any undispersed funds if they have not been expended for the program in accordance with this Agreement.

## **V. CONTRACT PERFORMANCE AND MODIFICATION**

1. Assignment. PSI TECH shall perform with the members and employees of its own organization the total work provided for under this Agreement and shall not assign, subcontract, sublet, or transfer any of the contract work provided for under this Agreement without receiving the express written consent of the Executive Director or Assistant Executive Director.
2. Amendments. The terms of this Agreement may be changed or modified by mutual agreement of the EDA and PSI TECH. Such amendments, changes, or modifications shall be effective only on the execution of written amendment(s) signed by the EDA and PSI TECH.

## **VI. WORK PRODUCTS**

1. Work Products. All reports, data, materials, information and other work products ("EDA Information") prepared and developed in connection with the provision of services contemplated in this Agreement shall become the property of the EDA. PSI TECH may, without prior written approval of the EDA, disclose EDA information to third parties but solely in connection with the performance of its duties under this Agreement.

## **VII. MISCELLANEOUS PROVISIONS**

1. EDA's Authorized Agent. The EDA's authorized agent for purposes of administration of this Agreement is Kim Berggren.
2. PSI TECH's Authorized Agent. PSI TECH's authorized agent for purposes of administration of this Agreement is Cindy Hill. All financial work shall be performed by or under the supervision of PSI Tech.
3. Conflict of Interest. PSI TECH certifies that to the best of its knowledge, no EDA employee or employee or officer of any agency interested in this Agreement has any pecuniary interest in the business of PSI TECH or with this Agreement and that no person associated with PSI TECH has any interest that would conflict in any manner or degree with the performance of this Agreement.
4. Relationship of the Parties. This Agreement shall not constitute, create, give effect to or otherwise imply a joint venture, partnership or formal business organization of any kind between the EDA and PSI TECH. PSI TECH shall act as an independent contractor and not as an agent for the EDA, and PSI TECH shall not have any authority to bind the EDA.
5. Indemnification. To the fullest extent permitted by law, the PSI TECH shall indemnify the EDA, its officers, employees, agents, volunteers and others acting on the EDA's behalf, hold them harmless, and defend and protect them from and against any and all loss, damage, liability, claim, cost or expense (specifically



including reasonable attorneys' fees and other costs and expenses of investigation and defense), of any sort, arising out of or otherwise in connection with the EDA's performance, or the performance of any subcontractor or other person or entity for whose acts or omissions the EDA is legally responsible, under this Agreement. Notwithstanding the foregoing, PSI TECH shall not be responsible for any loss, damage, liability, claim, cost or expense to the extent it is alleged and established that such loss, damage, liability, claim, cost or expense was occasioned by the negligence or willful misconduct of the EDA in connection with the performance of this Agreement. The EDA shall have the right, at its own expense, to associate in the defense of any action defended by PSI TECH pursuant to this provision.

6. Governmental Limited Immunity. Notwithstanding anything to the contrary in this Agreement, the EDA does not waive any statutory limited immunity from municipal tort liability available to it under Minnesota Statutes Chapter 466 or otherwise. Such statutory limited immunity shall apply whether an action, claim, demand or lawsuit is initiated by PSI TECH or by any third party. In no event shall PSI TECH assert or rely upon any such statutory limited immunity of the EDA to avoid liability for any act for which PSI TECH would otherwise be legally responsible.
7. Data Practices. This Agreement is subject to the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13. All government data, as defined in the Data Practices Act, Section 13.02, subd. 7, which is created, collected, received, stored, used, maintained, or disseminated by PSI TECH during performance of this Agreement, is subject to the requirements of the Data Practices Act.
8. Records – Availability/Access And Right To Audit. Subject to the requirements of Minnesota Statutes § 16C.05, subd. 5, the EDA, the State Auditor, or any of their authorized representatives at any time during normal business hours, and as often as they may reasonably deem necessary, shall have access to and the right to request submission of documentation, examine, audit, excerpt, and transcribe any books, documents, papers, records, or other data, which are pertinent to the accounting practices and procedures of PSI TECH and involve transactions relating to this Agreement. PSI TECH shall maintain these materials and allow access during the period of this Agreement and for six (6) years after its expiration, cancellation or termination.
9. Insurance. PSI TECH will maintain insurance coverage for: Worker's Compensation and General Liability (and Professional Liability with respect to any subcontractor providing architectural or engineering services) in an amount of not less than \$1,500,000.00 (one million five hundred thousand dollars and no/100) per occurrence and \$2,000,000.00 (two million dollars and no/100) in the aggregate and will provide information as to specific limits upon receipt of this signed Agreement. PSI TECH shall provide the EDA with a current certificate of liability insurance for all insurance coverage referenced above on behalf of itself and any subcontractor. Such certificate of liability insurance shall list the EDA as additional insureds and contain a statement that such policies of insurance shall not be canceled unless thirty (30) days written notice (ten (10) days' written notice for non- payment of premiums) is provided to the EDA.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota without regard to its conflicts of laws principles. Each Party irrevocably submits to the jurisdiction of the federal or state courts in Hennepin County, Minnesota for the purposes of any suit, action or other proceeding arising out of this Agreement and each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the federal or state courts in the State of Minnesota.
11. Counterparts. This Agreement may be executed in several counterparts. If so executed, each of such counterparts shall be deemed an original for all purposes and all counterparts shall, collectively constitute an agreement. In making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

**IN WITNESS WHEREOF**, the EDA and PSI TECH have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

#### **ECONOMIC DEVELOPMENT AUTHORITY**

By: \_\_\_\_\_  
 Kimberly Berggren, Executive Director  
 5200 85<sup>th</sup> Ave N  
 Brooklyn Park, MN 55443

Date: \_\_\_\_\_

#### **PSI TECH Support**

By: \_\_\_\_\_  
 Cindy Hill

Date: \_\_\_\_\_

Its \_\_\_\_\_  
 7970 Brooklyn Boulevard  
 Brooklyn Park, MN 55445

**Exhibit A****Scope of Services****1. Workstation – Managed Services**

- **Security Updates and Patch Management:**
  - Regularly deploy operating system updates, security patches, and software updates to ensure workstations are protected against vulnerabilities.
  - Monitor and manage antivirus and anti-malware software to maintain a secure computing environment.
- **Printer Accessibility:**
  - Monitor and manage printer connectivity for workstations.
  - Troubleshoot and resolve printing issues promptly.
  - Install and configure printers for new users or relocations.
- **Access to Shared Drives:**
  - Ensure seamless access to shared network drives and folders.
  - Troubleshoot and resolve any issues related to file sharing and permissions.
  - Implement and manage access controls based on user roles and responsibilities.
- **Password Resets:**
  - Handle password reset requests promptly and securely.
- **Performance Optimization:**
  - Monitor workstation performance and address any slowdowns or issues.
  - Optimize startup processes and manage background applications to enhance performance.
  - Recommend hardware upgrades or replacements as needed for improved performance.
- **User Account Management:**
  - Create, modify, or disable user accounts based on security policies.
  - Manage user profiles and permissions to ensure appropriate access levels.
- **Backup and Data Recovery:**
  - Implement regular backups of user data to prevent data loss.
  - Test and verify the effectiveness of data recovery procedures.
  - Assist users in restoring lost or corrupted files.
- **Remote Desktop Support:**
  - Provide remote assistance for troubleshooting and issue resolution.
  - Utilize remote desktop tools to diagnose and resolve problems without physical presence.
- **Software Installation and Configuration:**
  - Install, update, and configure software applications on workstations.
  - Ensure software licenses are valid and compliant.
  - Uninstall unnecessary or outdated software to maintain a streamlined environment.

## 2. Network and Internet Access – Managed Services

- Network Monitoring:
  - Implement network monitoring tools to track the health and performance of routers, switches, firewalls, and other network devices.
  - Monitor bandwidth usage, latency, and packet loss for proactive issue identification.
- Configuration Management:
  - Regularly review and update device configurations to align with security best practices.
  - Document and version control network configurations for quick recovery in case of failures or changes.
- Firmware and Software Updates:
  - Schedule and apply firmware updates for routers, switches, firewalls, and other network equipment to ensure security and performance enhancements.
  - Test updates in a controlled environment before deploying them to the production network.
- Security Audits and Compliance:
  - Conduct regular security audits to identify vulnerabilities and ensure compliance with industry standards.
  - Implement and monitor security policies on network devices to protect against unauthorized access and cyber threats.
- Firewall Configuration and Management:
  - Configure and optimize firewall rules to control traffic and enhance security.
  - Regularly review and update intrusion prevention/detection system (IPS/IDS) rules.
- VPN Management:
  - Manage and monitor virtual private network (VPN) connections to ensure secure remote access.
  - Troubleshoot and resolve VPN connectivity issues for remote users.

## 3. **Server – Managed Services**

- Server Health Monitoring:
  - Implement server monitoring tools to track key performance metrics (CPU usage, memory usage, disk space, etc.).



- Receive real-time alerts for critical issues and proactively address potential problems.
- Operating System Updates:
  - Regularly apply security patches and updates to the server's operating system.
  - Schedule maintenance windows for updates to minimize impact on business operations.
- User Account Management:
  - Manage user accounts on servers, including creation, modification, and deletion.
  - Enforce strong password policies and monitor for any unauthorized access.
- Access Control and Permissions:
  - Review and manage access controls to server resources.
  - Regularly audit and update permissions to ensure least privilege access.
- Anti-Virus and Malware Protection:
  - Deploy and manage anti-virus and anti-malware software on servers.
  - Regularly update virus definitions and perform scans to detect and remove threats.
- Remote Administration and Support:
  - Provide remote server administration for troubleshooting and issue resolution.
  - Utilize remote management tools for server maintenance tasks.

#### **4. Microsoft Azure – Storage / VPN**

##### **Identity Management:**

- User Provisioning and Management:
  - Set up user accounts, groups, and roles in Azure AD.
  - Implement identity lifecycle management for user onboarding, offboarding, and updates.
- Password Policies:
  - Enforce strong password policies for Azure AD accounts.
  - Regularly audit and update password policies.

##### **File Storage:**

- Azure Storage Account Creation:
  - Create Azure Storage Accounts to store files and data.
  - Choose the appropriate storage account type based on requirements.
- Azure File Shares:
  - Create Azure File Shares for scalable and accessible file storage.

- Configure access control for file shares using Azure AD credentials.
- Access Control and Permissions:
  - Define and manage access control lists (ACLs) for files and directories.
  - Utilize Azure RBAC to control access at the storage account level.
- Versioning:
  - Enable versioning for files to track changes and recover from accidental deletions.
  - Set retention policies for versions.
- Backup and Recovery:
  - Implement backup strategies for critical files.
  - Regularly test and validate file recovery processes.

Azure services are provided as an approximation because the actual cost of usage can vary depending on factors such as the level of usage, region, and type of services used. Azure services are billed on a pay-as-you-go basis.

### **Additional Services**

In addition to the aforementioned services, PSI Tech Support is committed to providing comprehensive support for Office 365 and facilitating the pay-as-you-go use of Microsoft Azure. Our expertise in these platforms ensures seamless integration and optimal utilization for the Small Business Center.

### **Support Meetings**

We propose weekly status meetings with the SBC director and administrative staff to review support calls and recommend improvements.

### **Exclusions**

Our proposed support services do not cover:

- Printing costs, supplies, or printer maintenance.
- VOIP (Voice over Internet Protocol) systems.
- Add/Move/Changes
- Additional hardware and software purchases
- Hardware and software maintenance for existing equipment in this agreement.
- Onsite installation and configuration of additional hardware and software
- Training on additional hardware and software
- Any additional support for any tenant of this Small Business Center

We appreciate your understanding of these limitations, and we remain dedicated to delivering high-quality technical support within the specified scope.

### **Inclusions**

Here is a list of services that are included in a managed service contract:

- 24/7 monitoring and support for existing desktop, network and server equipment (not excluded below)
- Security updates and patches for existing desktop, network and server equipment (not excluded above)
- Data backup and recovery for existing users/equipment (not excluded above)
- Disaster recovery planning for existing users/equipment (not excluded above)

- Business continuity planning for existing users/equipment (not excluded above)
- Security audits for existing users/equipment (not excluded above)

# City of Brooklyn Park

## Request for EDA Action

Agenda Item:	6.1	Meeting Date:	March 18, 2024
Agenda Section:	General Action Items	Prepared By:	John T. Kinara, Housing and Redevelopment Coordinator
Resolution:	X	Presented By:	Kim Berggren, Executive Director
Attachments:	5		
Item:	Consider Approving Funding Distribution and Program Guideline Changes to the Home Improvement Loan Programs Administered by the Center for Energy and Environment		

### Executive Director's Proposed Action:

MOTION \_\_\_\_\_, SECOND \_\_\_\_\_, TO WAIVE THE READING AND ADOPT RESOLUTION #2024-\_\_\_\_\_, APPROVING FUNDING DISTRIBUTION AND PROGRAM GUIDELINE CHANGES TO THE HOME IMPROVEMENT LOAN PROGRAMS ADMINISTERED BY THE CENTER FOR ENERGY AND ENVIRONMENT.

### Overview:

The purpose of this report is to update the Economic Development Authority (EDA) Board of Commissioners on the status of the Home Improvement Loan Programs that are currently administered. Staff has conferred with the partner organizations that assist with program administration and a few program adjustments are required regarding the down payment assistance and closing costs program.

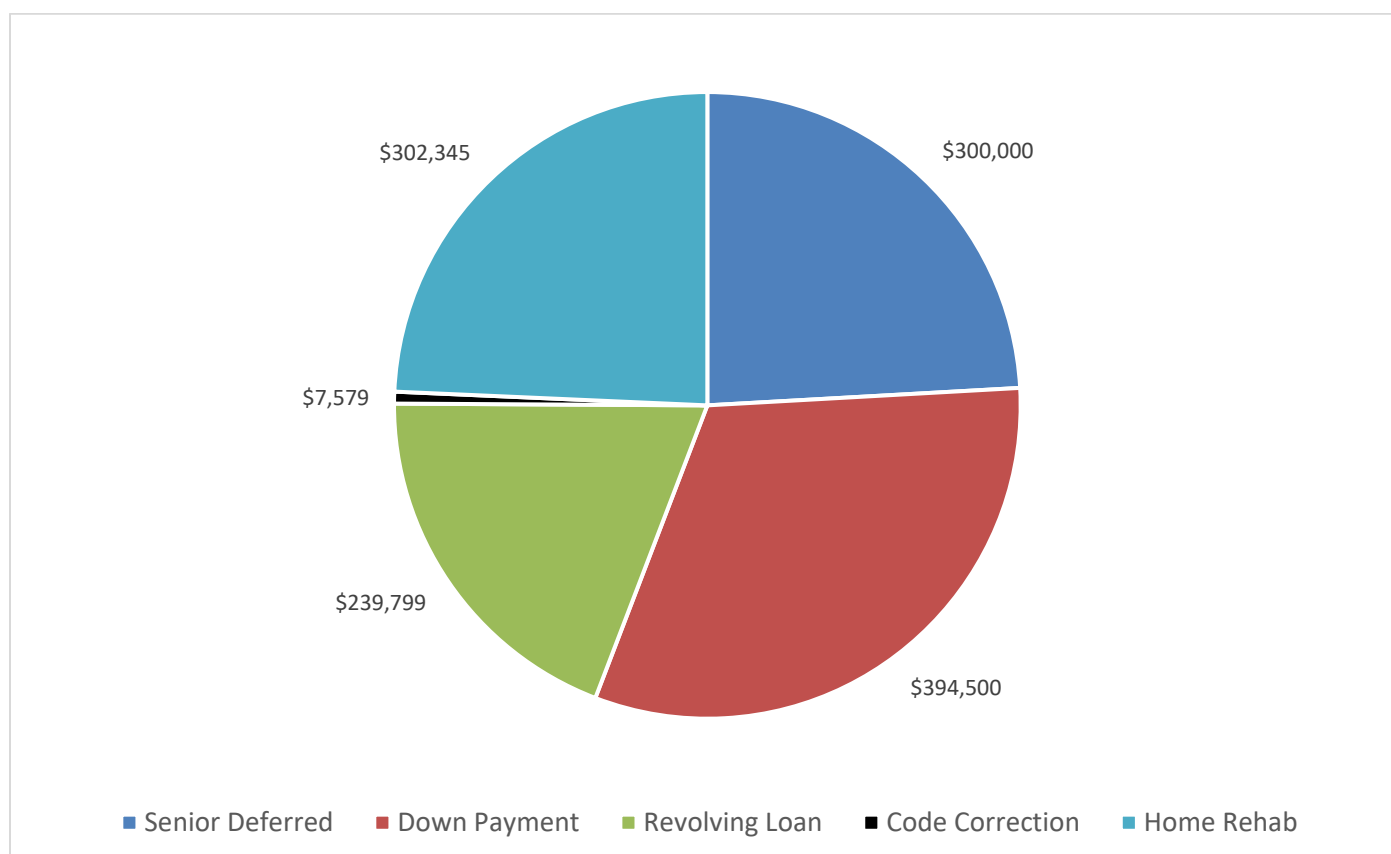
### Background:

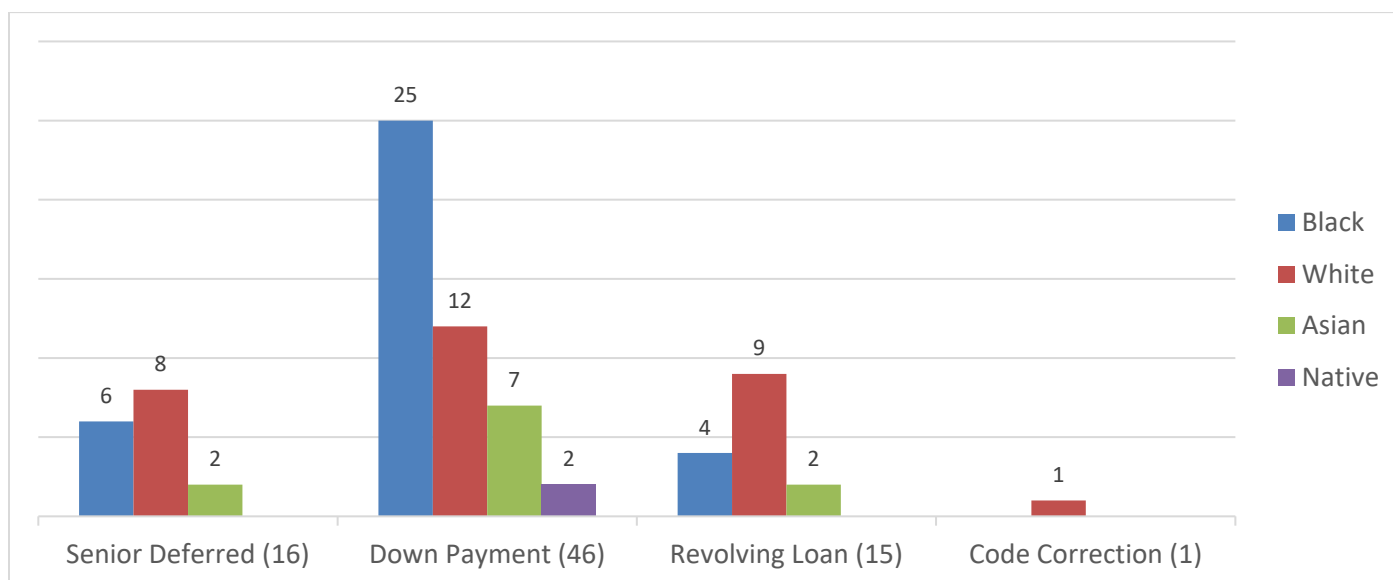
The EDA administers several housing reinvestment programs that provide financial resources to first time homebuyers, single-family and townhome homeowners in the community. Homeowner programs were redesigned in 2019 to increase the number of residents making improvements to their homes and to provide needed resources for future homebuyers. The redesigned and revamped programs have been a huge success, with funds for multiple programs expended rapidly. Almost \$1M was expended in the fiscal year 2023, and a total of over \$4M since 2019, for all the housing programs administered in partnership with the Center for Energy and Environment (CEE) and Hennepin County respectively.

In the fiscal year 2023, a total of 78 loans were awarded across the five loan categories that are administered by the Center for Energy and Environment (CEE). In addition, 26 loans were awarded by Hennepin County as administrator of the city's Community Development Block Grant (CDBG) program. (Table 1, Charts A and B). Based on the data provided by CEE, the down payment assistance and the senior deferred loan programs were the most popular. Additionally, the home rehabilitation deferred loan program administered through Hennepin County awarded 26 loans amounting to \$277,000 in the fiscal year 2023.

**Table 1: Brooklyn Park Home Improvement Loan Programs (2023) Closed**

Loan Type	Amount Loaned	Loans closed	Loans Pending	Demographics
Senior Deferred	\$300,000	16	10	Black (6), White (8), Asian (2)
Down Payment	\$394,500	46	12	Black (25), White (12), Asian (7), Native (2)
Revolving Loan	\$239,799	15	13	Black (4), White (9), Asian (2)
Code Correction	\$7,579	1	1	White (1)
Rental Rehab	\$0	0	3	
Home Rehab - CDBG	\$302,345	26	6	N/A
<b>Total Loans</b>	<b>\$1,245,223</b>	<b>104</b>	<b>45</b>	

**Chart 1: 2023 Loan Type by Amount**

**Chart 2: 2023 Loan Type by Race\***

*\*Data by race not available for CDBG Home Rehab Loan Program*

#### **Primary Issues/Alternatives to Consider:**

- **What are the current loan programs?**

##### **1. Senior Deferred Loan Program**

This loan program is designed as an incentive for Brooklyn Park seniors aged 62 and above to make improvements that will allow them to remain in their homes if they need to or update their homes for a potential future sale. Additionally, this program helps the Brooklyn Park seniors invest in customized modifications of their homes to accommodate specific special needs like the installation of ramps for wheelchairs, handicap accessible bathrooms and kitchens, among others. This loan is due upon sale or transfer of the property. This program provides up to \$25,000 in deferred loans to seniors at 0% interest rate. The funds are payable when the homeowner no longer occupies or owns the home. This program aligns well with the BP2025 goal of beautiful spaces and quality infrastructure where quality and well-maintained housing for all ages and incomes are integrated throughout the community. In the fiscal year 2023, 16 loans in the amount of \$300,000 were awarded under this category, which was 100% of budgeted funds.

##### **2. Down Payment and Closing Costs Assistance Program**

This program provides up to \$10,000 for Brooklyn Park residents and \$7,500 for nonresidents in down-payment/closing cost assistance to first-time homebuyers (or have not owned a home in the last 3 years) in purchasing a home in Brooklyn Park. Program participants must meet specific income limits to be eligible for assistance that will be indexed up to 120% of the area median income and tiered by household size. Homebuyer education for first time buyers is required and a minimum cash investment of the lesser 1% of the purchase price or \$1,000. The cash investment must come from the homebuyer's assets and may not be a loan or sweat equity contribution. The funds are forgiven if the homeowner maintains occupancy and ownership for 10 years.

One significant barrier to homeownership for low to moderate income households stem from the funds associated with down payment and closing costs of the mortgage loan. To address this issue, the City of Brooklyn Park's down payment and closing costs loan program has ultimately provided much needed assistance to eligible households an opportunity to afford a home. In the 2023 fiscal year, 46 loans were awarded in the amount of \$384,500. Based on the data from Minneapolis Area Association of Realtors (MAAR), the current median sales

price of a typical home in Brooklyn Park is \$329,050. This amount reflects an increase of 4.5% from 2021.

### 3. Code Correction Loan Program

The intent of the Code Correction Loan Program is to provide funds to owner-occupied properties that face City Code mandated home repairs and are unable to obtain funds to address the repair needs through traditional funding sources.

Based on the data from the City's Environmental Health staff, there's an average of 20 to 35 serious code related violations each year with most of the affected homeowners unable to address the problems as required. The violations range from severely damaged siding, driveways, windows to mold infestations, hoarding and plumbing issues. This program provides eligible residents a loan amount of between \$2,000 and \$25,000 at a 2% 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.

### 4. Revolving Loan Program

This is a low interest home rehabilitation loan program designed for all homeowners in Brooklyn Park. Eligible improvements include most interior or exterior improvements, maintenance, or remodeling. This program provides eligible residents a loan amount of between \$2,000 and \$25,000 at a 3%-4% 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. In 2023, 15 loans were awarded in the amount of \$240,000.

### 5. Rental Rehabilitation Loan Program

The purpose of the rental rehabilitation program is to provide financial incentives to the owners of residential rental properties to make physical and structural improvements. The program fills a gap for financial resources to small renter-occupied buildings that are 16 units or fewer to improve their structural integrity and livability.

Funds are awarded in the form of a 10-year, zero-interest loan for owners who are Brooklyn Park residents with a household income that is 120% of the area median income or less OR owners who keep the rent affordable at 60% area median income during the loan term through a deed restriction. If these terms cannot be met, funds are awarded in the form of a 10-year term at a fixed interest rate of 3%. The loan amount ranges from \$10,000 to \$100,000.

### 6. Home Rehabilitation Deferred Loan Program (CDBG-funded)

Administered in partnership with Hennepin County and funded through the community development block grants (CDBG), this program provides financial resources to single-family homeowners for capital improvements and emergency repairs. The program allows homeowners who earn 80-percent of the Area Median Income or less to borrow money to make interior and exterior improvements such as new furnaces, windows, siding as well as some kitchen renovations. The Home Rehabilitation Deferred Loan Program provides zero interest loans without any monthly payments and is entirely forgiven if the borrower maintains ownership and occupancy for 10 years.

Under the current program guidelines, qualifying Brooklyn Park homeowners receive between \$1,000 and \$20,000 in a deferred loan. In the fiscal year 2023, \$302,345 was awarded to 26 homeowners. The waiting list includes people who expressed a desire for the funds but not all households on the list will be eligible. The average amount awarded to qualifying homeowners was about \$15,000.

### 7. On Bill Repayment Program

On-bill repayment program provide options for property owners to pay for investments in clean energy upgrades through their utility companies. **On-bill repayment program** allows the utility to incur the cost of the clean energy upgrade, which is then repaid on the utility bill. **On-bill repayment** options require the customer to repay the investment through a charge on their monthly utility bill as well, but with this option, the upfront capital is provided by a third party, (Brooklyn Park EDA) not the utility company (Center Point Energy).

Additionally, on-bill repayment allows for a streamlined process as utilities already have a billing relationship with their customers, as well as access to information about their energy usage patterns and payment history. In some on-bill repayment programs, the loan is transferable to the next owner of the home or building. This program provides eligible residents a loan amount of between \$1,000 and \$10,000 at a 3%-4% fixed interest



rate. The loan is repayable in a period of up to 5 years and is secured by a subordinate mortgage on the property.

- **What program guideline adjustments are needed?**

- The program adjustments being recommended are related to the Down Payment and Closing Costs Assistance Program. Based on the increasing home values, EDA staff and CEE partners are recommending adjusting the cap on a qualifying home from the current to \$515, 200 in line with Minnesota Housing Finance Agency guidelines.
- Additionally, staff recommends reducing the income limits for qualifying homebuyers from to 115% area median income in line with the Minnesota State's Local Housing Aid funding program.
- CEE recommends updating the EDA loan agreement documents to include the legal description of the property being purchased.

### **Budgetary/Fiscal Issues:**

The City of Brooklyn Park Economic Development Authority (EDA) has made \$1M available in the 2024 EDA budget for its homeowner programs plus the \$200,000 in CDBG already approved by the City Council. The below allocation among the programs is recommended:

**Table 2: Home Improvement Loan Programs – Proposed Funding Allocation for 2024**

Down Payment Assistance	\$300,000
Revolving Loan	\$300,000
Senior Deferred Loan	\$300,000
Rental Rehabilitation Loan	\$100,000
Home Rehabilitation Loan (CDBG)	\$200,000 (previously approved)
Total Amount	\$1,200,000

During the year, staff will monitor the loan programs and adjust allocations based on demand to ensure utilization of the available loan funds.

### **Recommendation:**

The Executive Director of the EDA recommends approval.

### **Attachments**

- 6.1A RESOLUTION
- 6.1B CEE DOWNPAYMENT ASSISTANCE MORTGAGE DOCUMENT
- 6.1C CEE LOAN AGREEMENT DOCUMENT
- 6.1D 2024 PROGRAM FUNDING DISTRIBUTION
- 6.1E HOME IMPROVEMENT LOAN PROGRAM GUIDELINES

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY  
OF THE CITY OF BROOKLYN PARK  
RESOLUTION #2024-\_\_\_\_\_

APPROVING FUNDING DISTRIBUTION AND PROGRAM GUIDELINES CHANGES TO THE  
HOME IMPROVEMENT LOAN PROGRAMS ADMINISTERED BY CENTER FOR ENERGY  
AND ENVIRONMENT

WHEREAS, the Brooklyn Park Economic Development Authority (“EDA”) was created pursuant to the Economic Development Authorities Act, Minnesota Statutes, Sections 469.090 to 469.1080 (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, Minnesota (the “City”) adopted on October 24, 1988 (the “Enabling Resolution”); and

WHEREAS, the Enabling Resolution was amended by Resolution No. 1995-72 dated March 20, 1995, whereby the EDA was granted all of the powers, rights, duties, and obligations set forth in Minnesota Statutes Sections 469.001 to 469.047 (the “HRA Act”); 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, and sanitary dwellings; and

WHEREAS, the Brooklyn Park Economic Development Authority (the “EDA”) has established the Brooklyn Park Owner-Occupied Home Improvement Loan Program (the “Homeowner Program or Program”) and guidelines for the implementation thereof (the “Guidelines”); and,

WHEREAS, the Brooklyn Park Economic Development Authority (the “EDA”) has established the Brooklyn Park Rental Rehabilitation Loan Program (the “Rental Rehabilitation Program”) and guidelines for the implementation thereof (the “Guidelines”); and

WHEREAS, the Homeowner Program and the Rental Rehabilitation Program encourages neighborhood stability by utilizing financial resources to incentivize residents of the City to make improvements to owner-occupied properties, which enhances the City’s housing stock, property values, and tax base; and

WHEREAS, the EDA regularly updates the Programs Guidelines to increase utilization rates by making the Programs more attractive and affordable to a diverse spectrum of homeowners and to offer targeted programs to seniors, code enforcement cases, rental property owners, and first-time homebuyers; and

WHEREAS, the EDA regularly updates the Program Budget to allocate funding;

WHEREAS, the EDA has determined that the Program can be made more effective by updating the Guidelines and documents relating to the Programs, and the budget in accordance with the terms and conditions described in the Request for EDA Action provided to the Board and incorporated herein by reference (the “Program Terms”);

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

1. The EDA hereby approves the Program Terms and finds, determines, and declares that it is in the public interest of the residents of the City that the Program Terms be adopted.
2. The EDA hereby approves the Program Terms, substantially in accordance with the terms set forth in the form presented to the Board, together with any related documents necessary in connection therewith, including without limitation amendments to the Guidelines, all documents or certifications referenced in or attached to the Program Terms or (collectively, the "Program Documents") and hereby authorizes the Executive Director to execute the Program Documents on behalf of the EDA, and to carry out, on behalf of the EDA, the EDA's obligations thereunder when all conditions precedent thereto have been satisfied.
3. The approval hereby given to the Program Documents 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 officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the EDA. The execution of any instrument by the appropriate officers of the EDA herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of legal counsel to the EDA, may act in their behalf.
4. The authority to approve, execute and deliver future amendments to the Program Documents is hereby delegated to the Executive Director, subject to the following conditions: (a) such amendments or consents to not materially adversely affect the interests of the EDA; (b) such amendments or consents do not contravene or violate any policy of the EDA, the City or applicable provision of law, and (c) such amendments or consents are acceptable in form and substance to the counsel retained by the EDA to review such amendments. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Executive Director shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Executive Director any instrument authorized by this paragraph to be executed and delivered may be executed by the officer of the EDA authorized to act in his or her place and stead.

## MORTGAGE

**Pursuant to Minnesota Statutes, Section 287.04, subdivision (f), this mortgage is not subject to the mortgage registration tax imposed by Minnesota Statutes, Section 287.035.**

**THIS MORTGAGE** is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, between the \_\_\_\_\_ [indicate marital status] (the "Mortgagor") and the Economic Development Authority in and for the City of Brooklyn Park, Minnesota, a Minnesota body corporate and public, whose address is \_\_\_\_\_ (the "Mortgagee").

**WHEREAS** Mortgagor hereby mortgages and conveys to Mortgagee the following-described premises at \_\_\_\_\_, Brooklyn Park, Hennepin County, Minnesota (the "Property"), and legally described as follows:

This Mortgage is given in consideration of and as security for the payment of \_\_\_\_\_ (\$XX,XXX.00) (the "Loan") which will be disbursed pursuant to the Loan Agreement of even date herewith (the "Loan Agreement"). The Loan is evidenced by a Promissory Note (the "Note") of even date herewith, and repayment of the Loan shall be in accordance with the terms of the Note.

Mortgagor makes and includes in this Mortgage the statutory covenants and other provisions set forth in Minnesota Statutes Section 507.15, including the following:

- a. To warrant title to the Property.
- b. To pay all other mortgages, liens, charges, or encumbrances against the Property as and when they become due.
- c. To pay the indebtedness of the Note.
- d. To pay all real estate taxes on the Property.
- e. To keep the Property in repair and not commit waste; and

- f. To keep the Property insured against loss by fire and other hazards for at least the sum of the full insurable value of the Property for the protection for the Mortgagee.
- g. That the whole of the principal sum shall become due after default in the performance of any covenant in this Mortgage, the Loan Agreement, or the Note, or in the event that the Property is sold, transferred, or not occupied as Mortgagor's primary residence until the Maturity Date.
- h. That the Maturity Date is \_\_\_\_\_.

If default be made in any payment or covenant herein, the mortgagee shall have the statutory power of sale and on foreclosure, may retain statutory costs and attorney's fees.

BY SIGNING BELOW, Mortgagor accepts and agrees to the terms and covenants contained in this Mortgage and in any Rider executed by Mortgagor and recorded with it.

\_\_\_\_\_  
Mortgagor

\_\_\_\_\_  
Mortgagor

STATE OF MINNESOTA    )  
  ) ss  
COUNTY OF HENNEPIN    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ [indicate marital status].

\_\_\_\_\_  
Notary Public

My commission expires. \_\_\_\_\_

This instrument was prepared by:

## LOAN AGREEMENT (Down-Payment and Closing Cost Assistance)

This Agreement is made as of this \_\_\_\_\_ day of \_\_\_\_\_ by and between \_\_\_\_\_

\_\_\_\_\_  
("Borrower"), and the BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY, Minnesota a public body corporate and politic under the laws of the State of Minnesota (the "Lender").

WHEREAS, the Lender has established the Owner-Occupied Home Improvement Loan Program (the "Program") for the purpose of providing down-payment and closing cost assistance to qualified homebuyers; and

WHEREAS, the Lender has retained the services of the Center for Energy and Environment to originate Program loans and disburse loan proceeds (the "Originating and Disbursing Agent"); and

WHEREAS, the Lender has also retained the services of Center for Energy and Environment to service the Program loans (the "Servicing Agent"); and

WHEREAS the Borrower will be the owner of that certain, owner-occupied residential property at \_\_\_\_\_, Brooklyn Park, MN, legally described as set forth on Exhibit A attached hereto (the "Property"); and

WHEREAS, the Borrower has made application to the Originating and Disbursing Agent for a Program loan (the "Loan") to purchase the Property (the "Purchase"); and

WHEREAS, the Originating and Disbursing Agent has approved the Loan, on behalf of the Lender, subject to execution and compliance with the terms of this Loan Agreement (the "Agreement") and the execution and recording of all documents described in and required by this agreement (the "Loan Documents").

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties hereto agree as follows:

### ARTICLE I Definitions

Section 1.01. Defined Terms. As used in this Agreement, the following terms shall have the meanings set out respectively after each (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Draw" means an advance of loan proceeds by the Originating and Disbursing Agent to the Borrower pursuant to Article II hereof and the Disbursing Agreement.

"Acquisition Mortgage" means the Mortgage of even date herewith, from the Borrower, as mortgagor, to the Lender, as mortgagee, creating a \$\_\_\_\_\_ lien on the Property and a security interest in all of the personal property located thereon as security for payment of the Note, subject to Permitted Encumbrances, in the form attached hereto as Exhibit C.

"Borrower" means \_\_\_\_\_ who is a person that qualifies for the Program and is obligated to pay back the Loan.

"City" means the City of Brooklyn Park, Minnesota.



"Closing" or "Closing Date" means the event or time at which the Loan Proceeds are used to purchase the Property.

"Event of Default" means one of the events of default specified in Section 7.01 hereof.

"Lender" means the Brooklyn Park Economic Development Authority.

"Lender Commitment" means the commitment of the Lender to disburse up to \_\_\_\_\_ (\$X,XXX.00) to the Borrower as down-payment and closing cost assistance.

"Loan" means the loan to be provided to the Borrower by the Lender pursuant to this Loan Agreement.

"Loan Documents" means this Loan Agreement, the Note, the Mortgage and any additional document required by any of the aforesaid.

"Loan Proceeds" means the proceeds of the Loan.

"Note" means the Promissory Note of the Borrower in the form of Exhibit B attached hereto evidencing the Draws to be made hereunder.

"Originating and Disbursing Agent" means the Center for Energy and Environment, an agent of the Lender responsible for originating Loans and disbursing Loan Proceeds under the Program.

"Program" means the Lender's Owner-Occupied Home Improvement Loan Program.

"Program Guidelines" means the Program Overview and Guidelines, which are incorporated herein by reference.

"Property" means the owner-occupied residential property located at: \_\_\_\_\_ and legally description as set for on Exhibit A hereto.

"Purchase" means the purchase of a owner-occupied residential property in the City of Brooklyn Park.

"Residence" means the structure located upon the Property which is purchased to be occupied by the Borrower as a principal residence with Loan Proceeds.

"Senior Mortgage(s)" means any mortgage upon the Property to which the Acquisition Mortgage is subordinate.

"Senior Mortgage Loan" means the loan secured by a Senior Mortgage.

"Senior Mortgagee" means the holder of a Senior Mortgage.

"Servicing Agent" means Center for Energy and Environment and agent of the Lender responsible for collection Loan payments and otherwise services the Loans.

"Transfer" means any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to the Property or any part hereof, or any interest therein, or any contract or agreement to do any of the same.

"Unavoidable Delay" means delay by reason of acts of God, fire, storm, strikes, blackouts, labor difficulties, riots, inability to obtain materials, equipment or labor, governmental restrictions, or any similar cause over which the Borrower is unable to exercise control.

## **ARTICLE II**

### **Lender Commitment**

Section 2.01. Lender Commitment.

- (a) The Lender agrees, on the terms and subject to the conditions hereinafter set forth and set forth in the Disbursing Agreement, to authorize the Originating and Disbursing agent to disburse the principal amount of up to and including the maximum amount of its Lender Commitment for Down-Payment Assistance in connection with the Purchase.
- (b) The obligation of the Borrower to repay the Note dated the date of this Agreement, and containing the terms relating to maturity, interest rate, and other matters, as set forth in Exhibit B. The Note and Mortgage shall be recourse obligations of the Borrower.

Section 2.02. Deposit of Loan Proceeds. On the Closing Date, the Lender shall deposit or cut a check in the total amount of the Lender Commitment.

Section 2.05. Fees. Whether or not any Draw shall be made hereunder, the Borrower agrees to pay all recording, license and permit fees in connection with this Loan Agreement or in connection with the transactions contemplated by this Loan Agreement.

### **ARTICLE III**

#### **Conditions of Draws**

Section 3.01. Condition Precedent to Initial Draw. The obligation of the Originating and Disbursing Agent to make the Draw shall be subject to the condition precedent that the Borrower shall be in compliance with the conditions contained in Section 3.02 and the further condition precedent that the Lender shall have received on or before the date of the Draw hereunder the following:

- (a) The Note, duly executed by the Borrower.
- (b) The Mortgage, duly executed, constituting a valid and perfected lien in the Property, subject to Permitted Encumbrances.
- (c) A copy of the Draw, if any, in form and substance acceptable to the Originating and Disbursing Agent;

Section 3.02. Further Conditions Precedent to All Draws. The obligation of the Originating and Disbursing Agent to make the Draw shall be subject to the condition precedent that the Borrower shall be in compliance with all conditions set forth in Section 3.01, and the further conditions precedent that on the date of such Draw:

- (a) No Event of Default hereunder or event which would constitute such an Event of Default but for the requirement that notice be given or that a period of grace or time elapse, shall have occurred and be continuing and all representations and covenants made by the Borrower in Article IV shall continue to be true and correct as of the date of such Draw.
- (b) No event of default under any Senior Mortgage or related notes and security documents or event which would constitute such an event of default thereunder but for that notice to be given or that period of grace or time elapse, shall have occurred and be continuing.

Section 3.03. No Waiver. The making of any Draw by the Originating and Disbursing Agent prior to fulfillment of any condition thereof shall not be construed as a waiver of such condition, and the Lender reserves the right to require fulfillment of any and all such conditions prior to making the Draws.

### **ARTICLE IV**

#### **Borrower Representations and Covenants**

Section 4.01. Representations and Covenants. Borrower represents and covenants to the Lender as follows:

- (a) The Residence will be owned and occupied by the Borrower as of the date of this Loan agreement and is located in the City of Brooklyn Park, Hennepin County in the State of Minnesota. Prior to the Maturity Date of the Loan, the Borrower shall maintain the Residence as its principal residence and shall not to rent any part thereof.
- (b) The Borrower does not now and shall not use more than forty-nine percent (49%) of the total area of the Residence (or, if it contains more than one dwelling unit, then 49 percent of the total area of the dwelling unit occupied by the Borrower) primarily in a trade or business in a manner which would permit the Borrower to take a deduction for expenses incurred in connection with such trade or business use on the Borrower's Federal Income Tax Return (excluding at home daycare).
- (c) The Borrower does not now and, prior to the Maturity Date, shall not use the Residence as an investment property or as a recreational home.
- (d) No part of the Loan Proceeds shall be used to pay any existing loan or mortgage.
- (e) The Loan Proceeds shall be used as down-payment assistance.
- (f) The Borrower(s) will be the fee owner(s) of the Residence.
- (g) All information provided by the Borrower in connection with this Loan is true and accurate.

Section 4.02. Further Acknowledgments. The Borrower further acknowledges that:

- (a) Requests by the Borrower to subordinate the Acquisition Mortgage to other mortgages will not be considered, which may have consequences in the event the Borrower seeks to refinance existing mortgage loans.

## **ARTICLE V**

### **Insurance**

Section 5.01. Borrower Insurance. Borrower shall maintain insurance as follows:

- (a) Insurance on the Residence and other improvements, including leasehold improvements, now existing or hereafter erected on the Property and on the fixtures and personal property including in the Residence against loss by fire, and other hazards covered by the so-called "all-risk" form of policy for its full insurable value and in no event less than the outstanding principal balance of the Note.

## **ARTICLE VI**

### **Loan Repayment Obligations**

Section 6.01. Note and Mortgage. Borrower shall repay the Loan in accordance with the terms as are set forth in the Note attached hereto as Exhibit B. The Note shall be fully secured by the Mortgage attached hereto.

Section 6.02. Acceleration. The Loan shall be immediately due and payable upon the occurrence of any of the following events:

- (a) Any Transfer of the Property
- (b) Any refinancing of a Senior Mortgage without Lender consent.
- (c) Any prepayment of any Senior Mortgage Loan as a result of foreclosure or the granting of a deed in lieu of foreclosure; or

- (d) Any rental of the Property

## **ARTICLE VII**

### **Events of Default and Rights and Remedies**

Section 7.01. Events of Default. Each of the following shall constitute an Event of Default.

- (a) The Borrower shall fail to pay, when due, interest on or principal of the Note and such failure shall continue for a period of thirty (30) days after the due date.
- (b) The occurrence of any event described in Section 6.02 hereof.
- (c) The Borrower shall fail duly to observe or perform, any of the other terms, conditions, covenants or agreements required to be observed or performed by the Borrower hereunder, and such failure shall continue for a period of 30 calendar days after written notice of such failure has been given by the Servicing Agent to the Borrower or, in the event of nonmonetary default only, such additional time as is reasonably necessary to cure the default, provided that Borrower commences the cure no later than 30 days after written notice and diligently pursues the same;
- (d) The Borrower shall be in default with respect to any term, condition, covenant or agreement required to be observed or performed by the Borrower under any Senior Mortgage or related notes or security documents, such defaulted not being cured by such acts and within such time as is permitted by such Senior Mortgage, related notes or security documents.
- (e) Any representation or warranty made by the Borrower herein or in any financial statement, certificate, report or Draw furnished pursuant to this Agreement, or the Mortgage or in order to induce the Originating and Disbursing Agent to make any Draw hereunder shall prove to have been untrue in any material respect or materially misleading as of the time such representation or warranty was made;
- (f) The Borrower shall be in default under or in breach of any of the covenants contained in the Mortgage and such default or breach shall not be cured or waived within the period or periods of grace, if any, applicable thereto.
- (g) The Property is materially damaged or destroyed by fire or other casualty and the loss, in the reasonable judgment of the Lender, is not adequately covered by insurance actually collected or in the process of collection; or
- (h) The Borrower shall make an assignment for the benefit of its creditors or shall admit in writing its inability to pay its debts as they become due or shall file or have filed against it a petition under the United States Bankruptcy Code.

Section 7.02. Rights and Remedies. Upon the occurrence of an Event of Default the Lender or the Servicing Agent may, at its option, exercise any and all of the following rights and remedies (and any other rights and remedies available to it):

- (a) The Lender may terminate the Commitment and advise the Originating and Disbursing Agent to return all Loan Proceeds held by it to the Lender for application to any amounts owing hereunder.
- (b) The Lender or the Servicing Agent may, by written notice to the Borrower, declare immediately due and payable all unpaid principal of and accrued interest on the Note, together with all other sums payable hereunder, and the same shall thereupon be immediately due and payable without presentment or other demand, protest, notice of dishonor or any other notice of any kind, all of which are hereby expressly waived; provided, however, that upon the filing of a petition commencing a case naming the Borrower as debtor under the United States Bankruptcy

Code, the principal of and all accrued interest on the Note shall be automatically due and payable without any notice to or demand on the Borrower or any other party.

- (c) The Lender shall have the right, in addition to any other rights provided by law, to enforce its rights and remedies under the Mortgage.
- (d) No remedy herein conferred upon or reserved to the Lender or Servicing Agent is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. No waiver by the Lender or Servicing Agent of any default hereunder shall operate as a waiver of any other default or of the same default on a future occasion.

## **ARTICLE VIII**

### **Miscellaneous**

Section 8.01. Addresses for Notices. All notices to be given by either party to the other hereunder shall be in writing and deemed to have been given when delivered personally or when deposited in the United States mail, registered or certified postage prepaid, addressed as follows:

- (a) To the Borrower at:

- (b) To the Lender at:

Brooklyn Park Economic Development Authority  
5200 85th Avenue North  
Brooklyn Park, MN 55443  
Attention: Executive Director

- (c) To the Originating and Disbursing Agent at:

Center for Energy and Environment  
212 3rd Avenue North, Suite 560  
Minneapolis, Minnesota 55401

or address to any such party at such other address as such party shall hereafter furnish by notice to the other party.

Section 8.02. Time of Essence. Time is of the essence in the performance of this Agreement.

Section 8.03. Binding Effect and Assignment. This Agreement shall be binding upon and inure to the benefit of the Borrower and the Lender and their respective successors and assigns, except that the Borrower may not transfer or assign its rights hereunder without the prior written consent of the Lender.

Section 8.04. Governing Law and Entire Agreement. This Agreement and the Loan Documents hereunder shall be governed by the laws of the State of Minnesota and comprise the entire agreement of the parties on the matters covered therein. No other agreement, statement or promise made by any party or by any employee, officer, or agent of any party that is not in writing and signed by all the parties to this Agreement shall be binding.

Section 8.05. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute one and the same instrument.

Section 8.06. Inconsistency. In the event that any of the terms and provisions of this Agreement are inconsistent with any of the terms and provisions of the Note or Acquisition Mortgage, the terms and provisions of this Agreement shall govern.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

**BORROWER**

\_\_\_\_\_  
\_\_\_\_\_

**BROOKLYN PARK ECONOMIC  
DEVELOPMENT AUTHORITY**

By \_\_\_\_\_

This Instrument was prepared by:

Brooklyn Park Economic  
Development Authority  
5200 85<sup>th</sup> Ave N,  
Brooklyn Park, MN 55443  
763-424-8000 (tel)

**EXHIBIT A**  
**Legal Description**



**EXHIBIT B**  
**Form of Promissory Note**

**PROMISSORY NOTE**

\$ \_\_\_\_\_

Brooklyn Park, MN

Date: \_\_\_\_\_

Date:

FOR VALUE RECEIVED, the undersigned, \_\_\_\_\_  
("Borrower"), promises to pay to the order of the Brooklyn Park Economic Development Authority ("Lender"), the  
sum \_\_\_\_\_ (\$ \_\_\_\_\_ )  
pursuant to the terms of that certain Loan Agreement between the Borrower and the Lender, dated (the "Loan  
Agreement"). Unless otherwise stated, the capitalized terms used herein shall have the meaning given by the Loan  
Agreement.

The Note is payable as follows:

**1. Interest**

No Interest shall accrue on this Note.

**2. Maturity Date**

Borrower shall pay 100% of the Loan Amount if the property has been sold, transferred or is no longer  
occupied as the primary residence within 10 years of the Loan Date. If the borrower has not sold or transferred  
the Property and has occupied the Property as the primary residence for 10 years from the Loan Date 100% of  
the loan shall be forgiven.

**3. Payments**

Any unpaid principal and interest shall be paid on the Maturity Date. Payments shall be made at the offices of  
the Servicing Agent: Community Reinvestment Fund, 801 Nicollet Avenue, Suite 1700 West, Minneapolis, MN  
55402 or at such other location as Lender may direct in writing.

**4. Application of Payments**

All payments received by the Lender from the Borrower, or on its behalf, shall be applied against the outstanding  
amount due hereunder, first to interest and then to principal.

**5. Late Payments**

If the Servicing Agent has not received the full amount of the payment due on the Maturity Date within 15 days  
after the date thereof, Borrower shall pay to Lender a late charge equal to five percent (5%) of the overdue  
amount.

**6. Prepayment**

The principal amount of this Note may be prepaid on any date, in whole or in part, without the permission of the  
Servicing Agent or Lender, and without premium or penalty.

**7. Form of Liability**

To the extent this Note is executed by more than one person, each such person shall be fully jointly and severally  
liable for the obligations contained herein.

**8. Default**

It is expressly agreed that if (a) Borrower fails to make any payment, for a period of thirty (30) days after the date such payment was due, (b) Borrower violates the provisions of Section 6.02 (a) through (d) of the Loan Agreement or (c) there is an uncured Event of Default under Section 7.01 of the Loan Agreement, the Lender may, at its option, declare the entire unpaid principal balance, and any accrued interest thereon, immediately due and payable by providing Borrower with written notice thereof. Failure to exercise this option shall not constitute a waiver of the right to exercise the option at a later date.

**9. Presentment**

The Borrower hereby waives presentment for payment, notice of nonpayment, protest and notice of protest, consents to the extension or renewal of this Note without notice, and agrees to pay, in the event of default hereunder, the costs of collection, including reasonable attorney's fees.

This Note is executed together with Loan Agreement and is subject to the provisions and entitled to the benefits thereof.

This Note is secured by an Acquisition Mortgage on the Property legally described in the Loan Agreement.

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Borrower

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Borrower

## **EXHIBIT B-24**

### **TOTAL PROGRAM BUDGET \$1,000,000**

#### **BROOKLYN PARK LOAN PROGRAM BUDGET**

<b>A.</b>	<b>Home Improvement, On-Bill Repayment and Code Enforcement</b>	<b>\$300,000</b>
<b>B.</b>	<b>Senior Deferred Loan</b>	<b>\$300,000</b>
<b>C.</b>	<b>Down Payment Assistance and Closing Cost Assistance Loan</b>	<b>\$300,000</b>
<b>D.</b>	<b>Rental Rehabilitation Program</b>	<b>\$100,000</b>

**Budget Notes:**

1. Funds to be transferred between Budget Categories in this Exhibit that do not change the Total Contract Amount must be approved in writing by the City of Brooklyn Park.
2. CEE shall submit monthly invoices to the City of Brooklyn Park for the loan principal and administrative fees.
3. Loan Principal will be funded from the Total Program Budget as stated above and Administrative Fees shall be paid in accordance with the following Administrative Fee schedule.

(a) Home Improvement, Code Enforcement, Senior Deferred and Rental Rehabilitation Origination Fee	\$750 per loan closed
(b) Down-Payment and Closing Cost Assistance Origination Fee	\$950 per loan closed
(c) On-Bill Repayment Loan Origination Fee	\$250 per loan
(d) Property Inspection (Prioritization/RAV)	\$250 per visit
(e) Post Installation Inspection inspection	\$150 per visit
(f) Annual Administration Fee	\$5,000

The Annual Administration Fee shall be payable on January 1<sup>st</sup> of each year the contract is active.

4. Administrative Fees are not a part of the "Total Program Budget". Administrative Fees do not have a budget and will be paid by the City of Brooklyn Park.
5. Marketing efforts will be supported by CEE and marketing costs are not included in the Total Program Budget. Hourly rates are inclusive of all overhead expenses and will be charged only for hours directly related to the labor of all program marketing. CEE will also be reimbursed by the City of Brooklyn Park for any non-labor, out-of-pocket expenses relating to these services at a dollar-for-dollar basis.

## **Exhibit A-24**

### **City of Brooklyn Park Loan Program Guidelines**

**Home Improvement Loan Program**

**ON-Bill Repayment Loan Program**

**Senior Deferred Loan Program**

**Code Enforcement Loan Program**

**Down Payment and Closing Cost Assistance Program**

**Rental Rehabilitation Loan Program**

## **Home Improvement Loan Program**

1. **Loan Amount:** Loan amounts from \$2,000 to \$25,000.
2. **Amortization Type:** Monthly payment is required.
3. **Loan Term:** Up to 15 years.
4. **Interest Rate:** 3% fixed interest rate for borrowers making up-to-120% area median income (AMI) and 4% fixed interest rate for borrowers earning over 120% of the area median income. Income is calculated on projected income for all owners living in the property and household size.
5. **Loan-to-Value ratio:** 110%.
6. **Income Restrictions:** No income limits, but the interest rate is determined by projected gross income of the owners living in the property and household size.
7. **Loan Security:** The loan will be secured with a mortgage in favor of the EDA.
8. **Credit / Underwriting 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 or Foreclosure in the last 18 months. Current on mortgage payments and taxes. No outstanding judgements, defaulted government loans, collections (without reasonable explanation), or liens that are tied to the property.
9. **Debt-to-Income Ratio:** 50%
10. **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.
11. **Ineligible Borrowers:** Applicants with no ownership interest, business entities, foreign nationals, and non-occupant co-borrowers
12. **Eligible Properties:** All 1–4-unit owner-occupied properties located within the geographical boundaries of the City of Brooklyn Park. Condominiums and townhomes are 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 trust or contract for deed are eligible.
13. **Ineligible Properties:** Non-owner-occupied, properties with more than 4 units, co-operatives, mobile homes, and properties used for commercial purposes.
14. **Eligible Improvements:** Most permanent Interior and exterior improvements are eligible.
15. **Ineligible Improvements:** No saunas, whirlpools, furniture, skylights, non-built-in appliances (unless part of a kitchen remodel), 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.
16. **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 compensate for labor, only for materials. Materials must be purchased and installed prior to the disbursement of the loan proceeds. When applicable, a signed city permit must be obtained.

17. **Bids/Contractors:** 1 contract bid required. All contractors must be properly licensed or registered with the Minnesota Department of Labor (if applicable). Permits must be obtained where required by the City of Brooklyn Park.
18. **Multiple Loans:** More than one loan per household/ property is permitted based upon the availability of funds and the borrower's ability to qualify. The cumulative outstanding balance of all Home Improvement Loans can not exceed the program maximum loan amount. The cumulative outstanding balance of all Brooklyn Park loans cannot exceed \$50,000.
19. **Post Install Inspection:** Prior to the release of loan proceeds, the property is subject to inspection by a CEE representative or, where a permit is required, work must be off by a City inspector.
20. **Work Schedule:** All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize extensions on a case-by-case basis.
21. **Disbursement of Funds:** Funds are held by CEE and payment is made to the contractor upon completion of work. An inspection will be performed by CEE (if a permit is not required) to verify completion of the work. The following items (and any additional as determined by CEE) must be received prior to disbursement of funds:
  1. Final invoice from contractor (or materials list from supplier)
  2. Final inspection verification by CEE (if necessary)
  3. Completion certificate(s) signed by borrower and contractor
  4. Lien waiver for entire cost of work and
  5. Evidence of required city permit pulled and inspected, where applicable
22. **Borrower Fees:** 1% Origination Fee a Document Preparation Fee, mortgage filing fees, title work, credit report, flood certification and any other applicable closing costs. All fees may be financed.

## **On-Bill Repayment Loan Program**

1. **Loan Amount:** Loan amounts from \$1,000 to \$10,000.
2. **Loan Term:** Up to 5 years.
3. **Interest Rate:** 3% fixed interest rate if all borrowers have a credit score of at least 680 and 4% fixed interest rate for all borrowers with at least a 600 score
4. **Loan-to-Value ratio:** None.
5. **Income Limits:** None, but the interest rate is determined by projected gross income for all owners living in the property and household size.
6. **Amortization:** Monthly payments required
7. **Security:** None
8. **Credit / Underwriting Requirements:** All borrowers must meet all CenterPoint Energy eligibility requirements. All mortgage payments and property taxes must be current. All borrowers must have a minimum credit score of 620.

9. **Debt-to-Income Ratio:** None
10. **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. Must be an eligible CenterPoint Energy customer.
11. **Ineligible Borrowers:** Applicants with no ownership interest, business entities, foreign nationals, and non-occupant co-borrowers
12. **Eligible Properties:** All 1–4-unit owner-occupied properties located within the geographical boundaries of the City of Brooklyn Park. Condominiums and townhomes are 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 trust or contract for deed are eligible.
13. **Ineligible Properties:** Non-owner-occupied, properties with more than 4 units, co-operatives, mobile homes, and properties used for commercial purposes.
14. **Eligible Improvements:** Must include only the energy efficiency upgrades that are eligible through the CNP On-Bill Repayment Program; furnace,

Specifically, all measures eligible for a rebate under one or more of CNP's Residential Segment Program will be eligible for the On-Bill Repayment Program except for furnace or boiler tune-ups or thermostats not installed with an eligible heating system. Eligible improvements include but are not limited to (Efficiency requirements are subject to change):

- HES recommended improvements determined through a site visit
- Furnace  $\geq 92\%$  AFUE\*
- Boiler  $\geq 83.5\%$  AFUE\*
- Programmable, communicating, and analytics-capable thermostats installed with a qualifying heating system
- Electronic ignition hearth products
- Water Heaters (conventional tank, tankless, indirect, or heating/water heating combo systems) that meet energy star requirements
- Energy Star rated clothes washers and natural gas dryers
- Wall insulation in a home with natural gas heating, improving insulation levels of R-5 or less to a level of R-11 or greater
- Attic insulation installed with air sealing in a home with natural gas heating, improving from R-30 or less to a value of R-49 or greater.

\*\*\*Other improvements are eligible to be included in the loan as long as at least one eligible energy conservation improvement is being done. These improvements include, but are not limited to:

- Central Air, Mini-Split or Heat Pumps installed with eligible gas heating equipment (at least 14 SEER)
- Energy Star rated Windows/Doors, ***if doing eligible insulation measures*** \*\*\*
- Ventilation
- Bath fans

- Electrical updates required due to related energy improvement
  - Asbestos and Radon mitigation
  - Repairs or repainting of wall surfaces damages by installation of eligible insulation projects
  - Modifications or cleaning of venting or duct-work necessary to install water heaters or heating equipment
15. **Ineligible Improvements:** Work initiated prior to the loan being approved and closed (exceptions will be made case by case if immediate replacement is needed).
- Furnace and boiler tune-ups
  - New construction
  - Solar
  - Electric appliances
  - Projects not listed as an eligible improvement or not determined to be an eligible improvement by CNP or CEE.
  - CEE will refer to CNP whenever eligibility of an improvement project is questionable
16. **Sweat Equity:** Not permitted.
17. **Bids/Contractors:** 1 contract bid required. All contractors must be properly licensed and be an eligible contractor with CenterPoint Energy. Permits must be obtained where required by the City of Brooklyn Park.
18. **Multiple Loans:** More than one loan per household/ property is permitted based upon the availability of funds and the borrower's ability to qualify. The cumulative outstanding balance of all On-Bill Repayment Loans can not exceed the program maximum loan amount. The cumulative outstanding balance of all Brooklyn Park loans cannot exceed \$50,000.
19. **Post Install Inspection:** None.
20. **Work Schedule:** All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize extensions on a case-by-case basis.
21. **Disbursement of Funds:** Funds are disbursed to the borrower at closing.
22. **Borrower Fees:** A Document Preparation and credit report fee.,

## **Senior Deferred Loan Program**

1. **Loan Amount:** Loan amounts from \$2,000 to \$25,000.
2. **Amortization Type:** Deferred
3. **Loan Term:** Loan is due upon sale, transfer of ownership or no longer occupied by the borrower as their primary residence.
4. **Interest Rate:** 0%
5. **Loan-to-Value ratio:** 110%.



6. **Income Limit:** None
7. **Loan Security:** The loan will be secured with a mortgage in favor of the EDA.
8. **Credit / Underwriting Requirements:** All mortgages and property taxes must be current. No outstanding judgements, liens or pending Bankruptcy or Foreclosure.
9. **Debt-to-Income Ratio:** None
10. **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. At least one borrower must be at least 62 years of age.
11. **Ineligible Borrowers:** Applicants with no ownership interest, business entities, foreign nationals and non-occupant co-borrowers
12. **Eligible Properties:** All 1–4-unit owner-occupied properties located within the geographical boundaries of the City of Brooklyn Park. Condominiums and townhomes are 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 trust or contract for deed are eligible.
13. **Ineligible Properties:** Non-owner-occupied, properties with more than 4 units, co-operatives, mobile homes and properties used for commercial purposes.
14. **Eligible Improvements:** CEE shall perform an inspection to determine project eligibility and prioritization. If there are no health, safety, or code violations the borrower may use the funds for any permanent exterior or interior improvements.
15. **Ineligible Improvements:** No saunas, whirlpools, furniture, skylights, non-built-in appliances (unless part of a kitchen remodel), or funds for working capital, debt service or refinancing existing debts are allowed. CEE will refer to City Staff whenever eligibility of an improvement project is questionable.
16. **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 compensate for labor, only for materials. Materials must be purchased and installed prior to the disbursement of the loan proceeds. When applicable, a signed city permit must be obtained.
17. **Bids/Contractors:** 1 contract bid required. All contractors must be properly licensed and registered with the Minnesota Department of Labor (if applicable). Permits must be obtained where required by the City of Brooklyn Park.
18. **Multiple Loans:** More than one loan per household/ property is permitted based upon the availability of funds and the borrower's ability to qualify. The cumulative outstanding balance of all Senior Deferred Loans can not exceed the program maximum loan amount. The cumulative outstanding balance of all Brooklyn Park loans cannot exceed \$50,000.
19. **Post Install Inspection:** Prior to the release of loan proceeds, the property is subject to inspection by a CEE representative or, where a permit is required, work must be off by a City inspector.
20. **Disbursement of Funds:** Funds are held by CEE and payment is made to the contractor upon completion of work. An inspection will be performed by the City and/or CEE to verify completion of the work. The following items (and any additional as determined by CEE) must be received prior to disbursement of funds:
  - a. Final invoice from contractor (or receipts from supplier))

- b. Final inspection verification by CEE (if necessary)
  - c. Completion certificate(s) signed by borrower and contractor
  - d. Lien waiver for entire cost of work and
  - e. Evidence of required city permit, where applicable
21. **Work Schedule:** All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize extensions on a case-by-case basis.
22. **Borrower Fees:** 1% Origination Fee a Document Preparation Fee, mortgage filing fees, title work, credit report, flood certification and any other applicable closing costs. All fees may be financed.

## **Code Enforcement Loan Program**

1. **Loan Amount:** Loan amounts from \$1,000 to \$25,000.
2. **Amortization Type:** Monthly payment is required.
3. **Loan Term:** Up to 15 years.
4. **Interest Rate:** 2% fixed interest rate
5. **Loan-to-Value ratio:** 110%.
6. **Income Restrictions:** None.
7. **Loan Security:** The loan will be secured with a mortgage in favor of the EDA.
8. **Credit / Underwriting 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 or Foreclosure in the last 18 months. Current on mortgage payments and taxes. No outstanding judgements, defaulted government loans, collections (without reasonable explanation), or liens that are tied to the property.
9. **Debt-to-Income Ratio:** 50%
10. **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. Borrower must have an active property maintenance corrective order issued by the city.
11. **Ineligible Borrowers:** Applicants with no ownership interest, business entities, foreign nationals, and non-occupant co-borrowers
12. **Eligible Properties:** All 1–4-unit owner-occupied properties located within the geographical boundaries of the City of Brooklyn Park. Condominiums and townhomes are 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 trust or contract-for-deed are eligible.
13. **Ineligible Properties:** Non-owner-occupied, properties with more than 4 units, co-operatives, mobile homes, and properties used for commercial purposes.

14. **Eligible Improvements:** Must address corrective actions required by the city. Repairs must be directed at improving the safety and structural integrity of the property including, but not limited to: siding, trim, soffit/fascia, roofing, garage doors, windows/doors, driveways, removal of trees affecting foundation, demolition of pools and sheds, HVAC, water heating, pest control, mold and mildew remediation, foundation repairs, deck/patio repairs (no new installation), hoarding cleanup, flooring, radon/lead/asbestos mitigation and other health and safety issues.
15. **Ineligible Improvements:** Any improvement not meeting the definition of an eligible improvement.
16. **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 compensate for labor, only for materials. Materials must be purchased and installed prior to the disbursement of the loan proceeds. When applicable, a signed city permit must be obtained.
17. **Bids/Contractors:** 1 contract bid required. All contractors must be properly licensed or registered with the Minnesota Department of Labor (if applicable). Permits must be obtained where required by the City of Brooklyn Park.
18. **Multiple Loans:** More than one loan per household/ property is permitted based upon the availability of funds and the borrower's ability to qualify. The cumulative outstanding balance of all Code Enforcement Loans can not exceed the program maximum loan amount. The cumulative outstanding balance of all Brooklyn Park loans cannot exceed \$50,000.
19. **Post Install Inspection:** Prior to the release of loan proceeds, the property is subject to inspection by a CEE representative or, where a permit is required, work must be off by a City inspector.
20. **Work Schedule:** All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize extensions on a case-by-case basis.
21. **Disbursement of Funds:** Funds are held by CEE and payment is made to the contractor upon completion of work. An inspection will be performed by CEE (if a permit is not required) to verify completion of the work. The following items (and any additional as determined by CEE) must be received prior to disbursement of funds:
  1. Final invoice from contractor (or materials list from supplier)
  2. Final inspection verification by CEE (if necessary)
  3. Completion certificate(s) signed by borrower and contractor
  4. Lien waiver for entire cost of work and
  5. Evidence of required city permit pulled and inspected, where applicable
22. **Borrower Fees:** 1% Origination Fee a Document Preparation Fee, mortgage filing fees, title work, credit report, flood certification and any other applicable closing costs. All fees may be financed.

## **Down Payment and Closing Cost Assistance Deferred Loan Program**

1. **Loan Amount:** Up to \$7,500. If the borrower is a current resident of Brooklyn Park, the maximum loan amount is up to \$10,000.
2. **Loan Term:** 10 years. The loan is 100% forgiven if the borrower(s) did not sell, transfer ownership or no longer occupied the property as the borrower(s) primary residence within 10 years of the loan closing date. If the loan is sold, ownership is transferred or is not the borrower(s) primary residence before 10 years of the loan closing, 100% of the loan is due.
3. **Interest Rate:** 0%
4. **Minimum Borrower Contribution:** Lesser of \$1,000 or 1% of the purchase price.
5. **Income Limit:** ~~115%~~ ~~120%~~ of the Area Median Income (AMI). Income if determined by the Adjusted Gross Income from the most recent tax return and household size. If the borrower(s) are not required to file a tax return the income will be determined by the projected gross income.
6. **Homebuyer Education:** All borrower(s) MUST attend a Home Stretch workshop or other valid first-time homebuyers course offered through an approved counseling agency by HUD. Applicants who have previously completed their pre-purchase education through an eligible provider must have a completion certificate that is dated not more than 12 months prior to closing.
7. **First-Time Homebuyer Status:** Borrowers must be a first-time homebuyer (a person or household that has not owned a home within the last three years – based on HUD approved definition). The Borrowers may not have had an ownership interest in a principal residence at any time during the three-year period ending on the date of execution of the mortgage. This requirement applies to any person who will execute the note and will have a present ownership interest in the financed property.
8. **Debt-to-Income Ratio:** N/A. Borrower must qualify for a first mortgage to purchase the property.
9. **Loan to Value Ratio:** 110%
10. **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.
11. **Ineligible Borrowers:** Applicants with no ownership interest, business entities, foreign nationals, and non-occupant co-borrowers.
12. **Eligible Properties:** All 1–4-unit owner occupied properties with a purchase price equal to or less than ~~\$515,200~~ ~~\$372,600~~ **based on MHFA Start Up Value (subject to change)** located within the geographical boundaries of the City of Brooklyn Park. Condominiums and townhouses will be eligible for this program as well.
13. **Ineligible Properties:** Properties held in a contract for deed are not eligible. Mobile homes, Co-ops, Non-owner-occupied and commercial properties.

14. **Multiple Loans:** Only one loan, but if ownership changes the new owner is eligible. If previous owner purchases a new home in Brooklyn Park, they are eligible if considered a first-time homebuyer. The cumulative outstanding balance of all Brooklyn Park loans cannot exceed \$50,000
15. **Subordination:** Full repayment of the loan is required unless the borrower is refinancing for a better interest rate to lower monthly payments or cash out funds for critical home repairs.
16. **Underwriting Decision:** Borrower(s) must meet 1<sup>st</sup> mortgage lender requirements.
17. **Borrower Fees:** All applicable mortgage filing fees, wire transfer, title, credit report, flood inspection and any other relevant closing costs associated with the loan.
18. **Participating Lenders:** Brooklyn Park EDA recommends the utilization of lenders with a presence in the City of Brooklyn Park.
19. **Purchase price:** Cannot exceed \$340,000 (subject to change)
20. **Eligible Use of Funds:** The loan funds can only be used for down payment and/or closing costs. The borrower cannot receive any portion of these funds as cash.

## **Rental Rehabilitation Loan Program**

1. **Loan Amount:** Loan amounts from \$10,000 to \$100,000 (Maximum amount per unit is \$10,000, but the EDA may consider requests for loan amounts greater than the maximum on a case-by-case basis). A maximum of \$100,000 between the Rental Rehabilitation Deferred and Amortizing Loan Programs
2. **Matching Requirements:** None
3. **Amortization Type:** Amortizing
4. **Loan Term:** Up to 10 years
5. **Interest Rate:** 0% if the Borrower(s) agree to Rent Limitations and 3% if there are no Rent Limitations
6. **Loan-to-Value ratio:** 100%
7. **Income Limit for Borrower:** None
8. **Income Limit for Business Entities:** None, but the business must have been in business for at least one year and show positive cash flow from the most recent Federal Tax Return. If a tax return hasn't been filed a Profit & Loss Statement and Budget must be provided along with current Lease and verification that rent is being received (1 month verification).
9. **Income Limit for Tenants:** None
10. **Rent Limitations:** Borrowers must agree that rents charged do not exceed 60% AMI affordability levels and will be verified annually. If the Borrower agrees to the Rent Limitations, they MUST restrict rents for 10 years from the date of closing or until the property has been sold or ownership has been transferred.
11. **Loan Security:** The loan will be secured with a mortgage in favor of the EDA, unless the borrower is a Condominium or Townhome Association.
12. **Credit / Underwriting Requirements:** All mortgages and property taxes must be current. No outstanding judgements, liens or pending Bankruptcy or Foreclosure.
13. **Debt-to-Income Ratio for Natural Persons:** 50%

14. **Debt-to-Income Ratio for Business Entities:** None, but the business must have been in business for at least one year and show positive cash flow on the most recent Federal Tax Return. If a tax return hasn't been filed and a Profit & Loss Statement and Budget must be provided along with the current Lease and verification that rent is being received (1 month verification).
15. **Eligible Borrowers:** All borrowers must be either a legal resident of the United States, as evidenced by a social security number, including U.S. citizens, permanent resident aliens and non-permanent resident alien **OR** a registered business with the MN Secretary of State. Borrower must not own more than 30 units in the City of Brooklyn Park.
16. **Ineligible Borrowers:** Homeowner Associations, applicants with no ownership interest, illegal residents or business entities not registered with the MN Secretary of State. Borrowers that own more than 30 units in the City of Brooklyn Park.
17. **Eligible Properties:** All 1-16 unit **licensed** rental properties used for residential purposes located within the City of Brooklyn Park. Individual condominium and townhome units are eligible. Properties held in a trust or Contract for Deed are eligible.
18. **Ineligible Properties:** Properties with more than 16 units, co-operatives, mobile homes and properties used for commercial purposes.
19. **Eligible Improvements:** Permanent interior and exterior improvements including, but not limited to: kitchen and bath remodel, roofing/gutters, siding, window/door replacement, plumbing (including sprinkler systems), electrical, energy star rated appliances, HVAC, water heating, painting, flooring, insulation, solar and improvements to common and play areas.
20. **Ineligible Improvements:** No swimming pools, hot tubs, saunas, whirlpools, furniture, or funds for working capital, debt service or refinancing existing debts are allowed. CEE will refer to City Staff whenever eligibility of an improvement project is questionable. Improvements required to be done by a Homeowner Association.
21. **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 compensate for labor, or the rental or purchase of equipment needed to complete the project. Materials must be purchased and installed prior to the disbursement of the loan proceeds. When applicable, a signed city permit must be obtained.
22. **Bids/Contractors:** 1 contract bid required. All contractors must be properly licensed and registered with the Minnesota Department of Labor (if applicable). Permits must be obtained where required by the City of Brooklyn Park.
23. **Multiple Loans:** Only one Rental Rehabilitation Loan may be open at any time.
24. **Post Install Inspection:** Prior to the release of loan proceeds, the property is subject to inspection by a CEE representative or, where a permit is required, work must be off by a City inspector.
25. **Disbursement of Funds:** Funds are held by CEE and payment is made to the contractor upon completion of work. **Down-payments may be made to the Contractor or Borrower on a case-by-case basis as approved by the City.** An inspection will be performed by the City and/or CEE to verify completion of the

work. The following items (and any additional as determined by CEE) must be received prior to disbursement of funds:

- a. Final invoice from contractor (or receipts from supplier))
- b. Final inspection verification by CEE (if necessary)
- c. Completion certificate(s) signed by borrower and contractor
- d. Lien waiver for entire cost of work and
- e. Evidence of required city permit, where applicable

26. **Work Schedule:** All work must be completed within 120 days of the loan closing. However, when warranted, CEE may authorize extensions on a case-by-case basis.
27. **Borrower Fees:** 1% Origination Fee a Document Preparation Fee, mortgage filing fees, title work, credit report, flood certification and any other applicable closing costs. All fees may be financed.
28. **Loan Administration:** The Rental Rehabilitation Loan Program will be administered by CEE in close consultation with the City of Brooklyn Park EDA staff.
29. **Loan Servicing:** The Rental Rehabilitation Loan Program will be serviced by CRF.



## MEMORANDUM

**DATE:** March 14, 2024

**TO:** EDA Commissioners

**FROM:** Kim Berggren, EDA Executive Director

**SUBJECT:** Status Update

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### Overview

This memo provides an update to the Brooklyn Park Economic Development Authority (EDA) and serves to keep interested community members informed. The EDA's housing-related work is summarized in a separate memo.

### **BUSINESS DEVELOPMENT**

#### **Small Business Center**

The Small Business Center membership and events continue to grow. In March, the Center is hosting five events, with a series hosted by the Black Business Chamber and US Bank starting in late spring. There are currently 41 members with several new members joining in April and May. A full member list is attached.

The SBC continues to host the CEO Start Program in collaboration with Hennepin County and powered by CO. STARTERS, a nationally recognized community-based approach to economic development.



At its last session, participants had the opportunity to meet with one of the owners of Kobi Co., a luxury candle brand that was founded in 2020 by 17-year-old Kobi Gregory as a self-care ritual to help cope with the stress of distance learning during the pandemic. Co-Owner and mother, Tasha Harris sat with us and discussed some of the challenges of determining product prices and target market. Participants were able to share

their own experiences and brainstorm solutions with Kobi Co.'s owner and others within the cohort.

#### **Brooklyn Park Development Corporation**

The Brooklyn Park Development Corporation (BPDC) is currently in the process of the first set of business loans for its second round of the Small Business Micro Loan program. With over 40 applicants, the BPDC has disbursed over \$150,000 in second round business loans to date. At



the disbursement meeting, EDA staff was joined by Marco LaNdoni, Loan Servicing Officer with Center for Energy and Environment (CEE), to discuss the loan servicing and payment process and the importance of establishing and maintaining personal and business credit.



### **Brooklyn Park Business Council**

The Brooklyn Park Business Council is a partnership with MetroNorth Chamber of Commerce. The next Business Council Meeting will take place at City Hall Chambers on March 28th from 8 am - 9:15 am and will feature Hennepin County Commissioner Jeff Lunde presenting county and area transportation project updates. Also, attendees can hear from a representative from the featured business, Takeda. Join us and develop your business through meeting key stakeholders in the city, being on the forefront of relevant and insightful information and making connections with those 'in the know.'

To add this meeting  
to your calendar you  
can scan the QR code



### **WORKFORCE DEVELOPMENT**

BrookLynk successfully hosted its in-person Get Ready! Work readiness training on Saturday, March 9th at North Hennepin Community College. 100 youth participated in sessions focused on developing essential skills crucial for thriving in the workplace and navigating professional environments. The curriculum covered various aspects such as job application strategies, interview techniques, resume crafting, and effective professional communication. Sessions were co-facilitated by BrookLynk alumni alongside professionals from the local community. Completion of the Get Ready! program sets participants on the path to accessing BrookLynk's summer paid opportunities.

**OTHER****New Economic Development and Housing Director**

Michelle Basham will be joining the EDA's staff team on Friday, March 22 as the Economic Development and Housing Director. She brings 30 years of experience leading and managing teams, working in support of diverse communities toward improved housing and economic outcomes, and improving processes and programs. A fun fact and connection to Brooklyn Park - Michelle founded Avenues for Youth in 1993.

**Community Development Block Grant (CDBG) Request for Proposals**

The CDBG program funds are issued to various federal agencies annually by the U.S. Department of Housing and Urban Development (HUD). The funds are designed to promote economic development and housing stability in communities across the country primarily benefitting low to moderate income households. The City of Brooklyn Park is an entitlement city and therefore receives about \$400,000 annually that is used to finance the Home Rehab Deferred Loan Program and other capital improvement projects in the community. The Request for Proposals (RFP) was issued on January 18, 2024, and submissions for public service organizations that provide various programming activities in the community should be proposed to the County by February 15, 2024.

**Attachments:**

7.1A SBC Member Report

First Name	Last Name	Type	Status	Team	Joined
Allie	Grack	Member	active	Workhorse Marketing	12/1/23 10:57 am
Benealda	Barr	Member	active	ENGAGEC COMMUNITY SERVICES	11/1/23 2:59 pm
Beth	Riegger	Member	active	Fairy God Mother of Tech	10/4/23 2:06 pm
Branko	Tambah	Member	active	Tambah & Sons Construction And Services LLC	11/1/23 12:00 pm
Breanne	Rothstein	Member	active	Thrive LLC	01/9/24 11:48 am
Cindy	Hill	Member	active	PSI	09/4/23 12:44 pm
Darius	Knox	Member	active	United Towing Recovery Roadside	12/28/23 5:00 am
Demetria	Poe	Member	active	Scholar School LLC	01/4/24 9:35 am
Erika	Posthumus	Member	active	Camino Mental Health, LLC	11/18/23 10:49 pm
Ezell Jones	Jones	Member	active	JEM Consulting , GBC	01/4/24 10:09 am
Hollies	Winston	Member	active	Guaranteed America, LLC	11/28/23 2:22 pm
Indred	Alexander	Member	active	Life By Design Management	07/12/23 1:13 pm
Isreal	Moses IV	Member	active	MFAM Capital LLC	01/4/24 9:11 am
Ja'Dae	Geiger	Member	active	Divine Beauty Co LLC	01/4/24 11:28 am
James	Holmes Jr	Member	active	JEM Consulting , GBC	01/4/24 10:11 am
Joseph	Banks	Member	active	Banks Youth Center	03/5/24 11:10 am
Jude	Nnadi	Member	active	Paadio Inc	09/18/23 12:00 pm
Karl O.	Benson	Member	active	Benson Entertainment & Events	11/21/23 4:03 pm
Keyaira	Johnson	Member	active	PWRME Athletica	01/18/24 5:36 pm
Mark	Cooper	Member	active	JEM Consulting , GBC	01/4/24 10:10 am
Mohamed	Sinayoko	Member	active	Guinea Association of Minnesota	03/11/24 9:29 am
Mohammed	Bah	Member	active	Bahsco Global Holdings	01/3/24 5:24 pm
Musu	Bryant Bah	Member	active	Family Trust Home Health	01/3/24 5:03 pm
Nico	Woods	Member	active	Universal Legends of Legacy	10/30/23 10:56 pm
Ose	Sesay	Member	active	Push Strategist LLC	10/26/23 1:00 pm
Pang	Yang	Member	active	MN Zej Zog	02/1/24 12:00 pm
Razaq	Lewis	Member	active	ENGAGEC COMMUNITY SERVICES	11/1/23 3:50 pm
Reva	Chamblis	Member	active	R.A. Legacy Enterprise Productions	09/26/23 2:02 pm
Sakhile	Mathumo Nelson	Member	active	Mathumo Law Office PC	01/19/24 1:39 pm
Samuel	Ukwesa	Member	active	Shalom Transportation Network and Logistics llc	10/4/23 9:51 pm
Sherrilynn Graham	Graham	Member	active	A Touch of Love	02/14/24 10:52 am
Stacy	Durant	Member	active	Durant DeSignz	02/29/24 6:09 pm
Stacy	Durant	Member	active	Durant DeSignz	02/29/24 12:00 pm

Tanuja	Patel	Member	active	Alapa	01/29/24 2:28 pm
Tanya	Langford	Member	active	Fourshadezholic@gmail.com	01/4/24 11:19 am
Thomas	Adams	Member	active	TMA Consulting LLC	01/3/24 5:57 pm
Toni	Lewis	Member	active	Toni Arielle Haire Loft	02/2/24 12:56 pm
Tracy	Martin	Member	active	TNT Training	08/1/23 12:00 pm
Veronica	Barr	Member	active	ENGAGEC COMMUNITY SERVICES	11/1/23 2:47 pm
Victor	Jones	Member	active	Victor Jones Consulting LLC	10/11/23 8:22 pm
Victoryn	Adebolu	Member	active	Victorious LLC	10/12/23 12:02 pm
Whitney Parker	Parker	Member	active	Beauty by Whitney	02/1/24 12:00 pm



## MEMORANDUM

**DATE:** March 14, 2024

**TO:** EDA Commissioners

**FROM:** Kim Berggren, Executive Director

**SUBJECT:** Housing Update

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### Overview:

This memo provides an update to the Economic Development Authority (EDA) on housing-related items. In addition to updating the EDA, this memo serves to keep interested community members informed of this work.

### Home Improvement Loan Programs Update

The EDA administers several housing reinvestment programs that provide financial resources to first time homebuyers and single-family and townhome homeowners in the community. In the fiscal year 2024, the EDA allocated \$1 million for the home improvement programs administered by Center for Energy and Environment (CEE) and the City allocated \$200,000 in Community Development Block Grant (CDBG) funds for the Hennepin County administered home rehab program. Homeowner programs were redesigned in 2019 to increase the number of residents making improvements to their homes and to provide needed resources for future homebuyers. The redesigned and revamped programs have been a huge success with funds for multiple programs were expended rapidly. About 80 loans amounting to over \$950,000 were closed in 2023. The most popular programs are the down payment assistance for the first-time homebuyers, senior deferred loan for seniors, and the low interest revolving loan. Additional details on loan usage and demographics breakdown will be shared in the March EDA meeting.

### NEW HOUSING DEVELOPMENT PROJECTS

#### **Real Estate Equities (Western Portion of 9500 Decatur Drive)**

Phase II of this project is now moving forward. On January 9, Real Estate Equities (REE) was awarded a tax-exempt bond allocation from the Minnesota Office of Management and Budget (MMB). At the January 2024 EDA meeting, the EDA also approved a Tax Increment Financing (TIF) agreement for Phase II which included up to \$770,000 in TIF and \$2 million from the EDA's Housing Set Aside/TIF3 funds. The City Council will need to hold a public hearing and consider approving various documents this spring related to the Phase II tax-exempt bond allocation from MMB. Construction on this project is anticipated to begin in late Spring or early Summer 2024.

The Phase I TIF agreement was approved by the EDA in October and the bond documents were approved by the City Council on November 13. Phase I is also financed with a tax-exempt bond allocation from MMB. REE has begun construction on this phase of the project. The total amount approved for Phase I was up to \$800,000 in TIF and a \$2 million loan from the EDA's Housing Set Aside Fund.

REE's project includes two phases of workforce housing consisting of 350 units (175 in each phase) which are a mix of 1-bedroom, 2-bedroom, and 3-bedroom apartment homes. This project proposes to use income averaging and have an average affordability to families making 60% of the area median income. Five percent (5%) of the homes, or a total of 18 units, will be restricted to families making no greater than 30% AMI. The total unit mix is 77% 2-bedroom units and above with units of each size at both 30% and 60% AMI. Real Estate Equities received unanimous approval for its land use application at the Planning Commission on Wednesday, March 8, and land use approval from the City Council on April 10.

#### **Tessman Ridge (6900 85th Avenue North - NHCC Site)**

The Tessman Ridge apartment community is under construction. Phase 1, which is the portion currently under construction, includes 71 units with 8 efficiency, 12 one-bedroom, 32 two-bedroom, 14 three-bedroom and 5 four-bedroom units. The EDA purchased the site at 6900 85th Avenue N from Minnesota State Colleges and Universities (MnSCU) and sold a portion of the land for the Phase I development to Duffy Development.

Duffy Development is in the process of seeking funding to advance Phase II of the project. Duffy would seek Hennepin County's Affordable Housing Incentive Fund (AHIF) as well as a Metropolitan Council's Livable Communities Demonstration Account – Transit Oriented Development (LCDA-TOD) grant. Phase II would also need additional financing and a separate land sale from the EDA.

Duffy seeks to finance both phases of this development with Low-Income Housing Tax Credits (LIHTC) from Minnesota Housing, a \$1,185,000 LCDA-TOD grant (awarded for Phase I, intending to apply for additional funds for Phase II), Tax Increment Financing (TIF) from the EDA, and other sources. The EDA approved the term sheet to provide TIF and approve the purchase agreement with Minnesota State Colleges and Universities (Minnesota State) and North Hennepin Community College at its meeting on May 17, 2020. The EDA had solicited qualifications for the development of this vacant land in early 2020 and selected Duffy Development at that time. Additionally, there is approximately 1-acre of property held by the EDA for commercial use at the intersection of 85th Avenue N and College Parkway.

#### **Village Creek Apartments (7621 Brooklyn Boulevard)**

George Group North is still working to secure its funding, which requires re-applying for a tax-exempt bond allocation and re-securing funds from the EDA. Its Development Assistance Agreement with the EDA and a \$832,000 Livable Communities Development Grant from the Met Council expired on December 31, 2023. If this project receives state financing, the EDA could consider renewing its agreement with the developer.

The proposed Village Creek Apartments would be located on EDA-owned land at 7621 Brooklyn Boulevard. The proposal includes 83 units of mixed-income housing and a 10,000 square foot commercial component. The EDA first considered this project in 2018.

## **RE-HABILITATION PROJECTS**

### **Huntington Place Apartments**

Aeon requested and received Draw 19 in the past week. The total amount of EDA funds spent on re-hab is \$3.8M with \$1.6M remaining in the \$5.5M agreement. Most of the improvements in the past six months have been unit improvements.

The community meeting at Huntington Place was on hold due to staff turnover at Huntington Place. Aeon just re-hired the Resident Support Coordinator and it is anticipated that these meetings will commence again this spring.

### **Stonybrook Housing Improvement Area HIA**

The EDA approved \$1.2 million through the Housing Improvement Area (HIA) loan program for Stonybrook Property Owners Association. The funds have been used for the replacement of all the existing roadways and driveways, mill and overlay, restriping, landscaping as well as the installation of new exterior lighting within the Homeowners Association (HOA) as per the current layout.

Located at 30084-69484 84th Court North, Stonybrook Townhomes were built in 1970s and consist of 88 buildings with 352 individually owned townhome units. Construction work on the project is currently almost completed and is expected to wrap up in the spring of 2024.

## **HOMEOWNERS' ASSOCIATIONS - HOAS**

During the October 2nd City Council work session, staff presented information regarding how the city currently interacts with Homeowners Associations (HOAs) in Brooklyn Park. At the meeting Council Members heard from staff and an HOA attorney about the challenges that exist within HOA communities. Council Members directed staff to explore various ways of working with HOAs in the community to create a sense of accountability and access to needed resources for homeowners. Based on the feedback received at the HOA meetings and the Council work session, staff developed a plan that included creating a website for resident to access resources and connecting with a technical assistance provider to work with residents on HOA issues and questions. Both next steps are currently underway, and the webpage can be viewed on the city website link.

<https://www.brooklynpark.org/housing/homeowner-resources/homeowners-associations/>

## **OTHER HOUSING NEWS AND UPDATES**

### **Housing Aid Distribution**

The metro wide sales tax approved by the legislature for affordable housing includes a direct allocation to Brooklyn Park of approximately \$940,000 annually as well as increased funding for County and Statewide housing programs. The EDA will have to consider its options for how to allocate at a minimum the \$940,000 direct allocation, starting in 2024, which will be done through a budget amendment in early 2024.



### 32nd Annual Brooklyn Park Real Estate Forum



The 32nd Annual Real Estate Forum was held on March 7, 2024, at the Edinburgh Clubhouse from 8:00 am to 12:30 pm. The Real Estate Forum event brings together realtors and brokers from the Twin Cities region to discuss and learn about housing market trends and other, development opportunities in the community as well as the region. This event was attended by over 100 attendees.

The keynote featured Senator Susan Pha, whose speech centered around building and enriching emerging communities, as well as David Arbit of the Minneapolis Area Association of Realtors, who led the discussion on housing regional market trends.

### Hennepin County Down Payment Assistance Program

The Hennepin County Housing and Redevelopment Authority (HCHRA) created and designed the Homebuyer Assistance Program to reduce racial disparities in homeownership.

Homebuyers can now qualify for assistance to make a down payment on their first home in Hennepin County. In collaboration with Hennepin County, NeighborWorks Home Partners launched a down payment assistance program for residents buying homes in Hennepin County. This program started on March 4, and is estimated to be available through 2025.

As the program administrator, NeighborWorks Home Partners will provide down payment financing to assist buyers interested in purchasing a home to have as their principal place of residence in Hennepin County.

Interested homebuyers can find more information at [NeighborWorks](https://www.neighborworks.org), or by contacting NeighborWorks at [hello@nwhomepartners.org](mailto:hello@nwhomepartners.org) or 651-292-8710.



The HCHRA is funding the downpayment assistance program through its first designated fund for homeownership assistance. Find more information at the [Homeownership Assistance Program page](#).

### **Housing Information**

There are several sources of data that tell the story of the need for affordable and accessible housing in the region, including:

- Key Facts on Housing 2022 (Minnesota Housing Partnership)
  - <https://mhponline.org/mhp-releases-key-facts-on-housing-2022/>
- Regional Housing Affordability Dashboard (Minneapolis Federal Reserve)
  - <https://minneapolisfed.shinyapps.io/Itasca-Housing-Dashboard/> - Indicators
  - <https://minneapolisfed.shinyapps.io/Itasca-Housing-Dashboard/> - Tracking three key goals for region
- Indicators for an Inclusive Regional Economy (disaggregated by cultural community) (Center for Economic Inclusion)
  - <https://indicators.centerforeconomicinclusion.org/>
- The applications dashboard provides data on the number of homeowners who have submitted financial assistance inquiries through [www.homehelpmn.org](http://www.homehelpmn.org)
  - <https://homehelpmn.org/dashboard/>
- New Hennepin County link that provides comprehensive information on housing programs, activities, and policies.
  - <https://www.hennepin.us/housing/>

### **Staff Participation in Housing Groups**

Staff participates regularly in various regional groups on the topic of housing, including:

- Anti-displacement Working Group created by the Metro Blue Line Light Rail Transit Extension (BLRT) project office and Hennepin County.
- Housing Collaborative hosted by Twin Cities Local Initiatives Support Corporation (LISC) and focused on education, info sharing, and collaboration among city staff on housing programs and policies.
- Regional Housing Policy Work Group hosted by Urban Land Institute (ULI) Minnesota.
- Government Equitable Development Community of Practice hosted by the Metropolitan Council.

### **Other Housing Policy Work Currently Underway**

- Research the establishment of a housing trust fund
- Apartment Action Plan 2.0 (2018-present)
- CURA Housing Stability study implementation
- Fair Housing Training

### **State of Housing in Black America Report**

- The National Association of Real Estate Brokers has released its annual State of Housing in Black America Report. A summary of the report and a link to the full report can be found here:
  - <https://www.hocmn.org/blog-post/nareb-releases-2023-state-of-housing-in-black-america-report/>

### **Housing Work Recently Completed**

- CURA Housing Stability Study (2021-2022) – available at

<https://www.cura.umn.edu/research/brooklyn-park-housing-project>

- EDA-owned former Park and Ride site at 4201 95th Avenue North (EDA discussion at March 2024 meeting)
- Transitional Housing Facility Rehabilitation (2018-2020)
- Fair Housing Policy and Training Program, (May 2019/August 2023)
- Mixed-Income Housing Policy (2017)
- Tenant Notification Ordinance (October 2019)
- Homeowner Programs re-vamp (2019)
  - Senior Deferred Loan Program
  - Down Payment Assistance Program (tripled investment in 2021)
  - Code Correction Loan Program
  - Revolving Loan Program
  - Rental Rehabilitation Loan Program (for 1-16-unit rental properties. Details available at [www.mncee.org/services/financing/brooklynpark/-1](http://www.mncee.org/services/financing/brooklynpark/-1)) (April 2020)
  - Community Engagement and Environmental Sustainability Program (April 2020)
- Affordable Housing Preservation and Development Program (July 2019)
- Brooks Landing and Brook Gardens Rehabilitation Project (2019-2020)
- Park Villa Housing Improvement Area (HIA) Project
- Autumn Ridge Apartments Rehabilitation
- Evergreen Elevator Project (2022)
- Sunrise Court Second HIA Project (2022)

**Attachments:** N/A