

Council Study Session
City Hall Council Chambers
February 13, 2023

AGENDA



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1. **City Council Discussion of Agenda Items and Questions - 6 p.m.**
 2. **Miscellaneous**
 3. **Discussion of Work Session Agenda Item as Time Permits**
 4. **Adjourn**

**CITY COUNCIL
MEETING**

City Hall Council Chambers
February 13, 2023

AGENDA



1. Informal Open Forum with City Council - 6:45 p.m.

This is an opportunity for the public to address the City Council on items that are not on the agenda. It is limited to 15 minutes, it is not televised, and it may not be used to make personal attacks, air personality grievances, make political endorsements, or for political campaign purposes. Council Members will not enter into a dialogue with the presenter. Questions from the Council will be for clarification purposes only. It will not be used as a time for problem-solving or reacting to the comments made but, rather, for hearing the presenter for informational purposes only.

The first call will be for those that have notified the Clerk that they would like to speak during the open forum, and then ask if anyone connected to this meeting would like to speak. When called upon, please indicate your name and then proceed. Please be sure to state your name and address before speaking.

2. Invocation - Kragness - 7 p.m.

3. Call to Order Regular Business Meeting

Attendees please turn off cell phones and pages during the meeting. A copy of the full meeting packet is available in the binder at the entrance to the Council Chambers.

a. Council Norms

4. Roll Call

5. Pledge of Allegiance

6. Approval of Agenda and Consent Agenda

These items are considered to be routine by the City Council and will be enacted by one motion. There isn't a separate discussion for these items unless a Councilmember so requests, then it is moved to the end of the Council Consideration Items.

a. Approval of Minutes

- *motion to approve the following meetings:*

- *January 23 Study Session*
- *January 23 Regular Session*
- *January 23 Work Session*

b. Approval of Licenses

- *Motion to approve the licenses as presented.*

c. Resolution Approving the Sixth Amendment to Lease Agreement and Relocation Assistance Agreement with Sheng Zheng, Wang Lin, Lin, Inc., Operating Under the Trade Name "Ocean Buffet" and Alatus Brooklyn Center

- *Motion to authorize approval of a Resolution Approving the Sixth Amendment to Lease Agreement and Relocation Assistance Agreement*

with Sheng Zheng, Wang Lin, Lin, Inc., Operating Under the Trade Name "Ocean Buffet" and Alatus Brooklyn Center

- d. Resolution Adopting the Fence Consortium Joint Powers Agreement
 - *Staff recommends that the Council approve the resolution for the City of Brooklyn Center become a member of the joint powers consortium.*
- e. Resolution Approving Change Order Nos. 17-18 Improvement Project No. 2021-05, Brooklyn Boulevard Corridor Project Phase 2 Improvements
 - *Motion to approve the attached resolution authorizing Change Order Nos. 17-18 in the amount of \$25,848.74 for Improvement Project No. 2021-05, Brooklyn Boulevard Corridor Project Phase 2 Improvements.*
- f. Resolution Authorizing and Supporting an Application for Hennepin County Transit-Oriented Development Funds Grant Application - Opportunity Site
 - *motion to authorize and support an application for Hennepin County Transit-Oriented Development Funds*

7. Presentations/Proclamations/Recognitions/Donations

- a. Metro Cities
 - *motion to accept the presentation from Metro Cities*
- b. Housing Technical Assistance Panel Report - ULI
 - *Motion to accept the presentation*
- c. Resolution of Appreciation

8. Public Hearings

- a. Resolution Certifying Special Assessments for Improvement Project No. 2023-02, 50th Avenue Improvements to the Hennepin County Tax Rolls
 - *Motion to approve a resolution certifying special assessments for Improvement Project No. 2023-02, 50th Ave Improvements to the Hennepin County Tax Rolls.*
- b. Resolution Certifying Special Assessments for Improvement Project No. 2023-03, 51st Avenue Improvements to the Hennepin County Tax Rolls
 - *Motion to approve a resolution certifying special assessments for Improvement Project No. 2023-03, 51st Avenue Improvements to the Hennepin County Tax Rolls.*
- c. Resolution Certifying Special Assessments for Improvement Project No. 2023-01, Knox, James, and 54th Area Improvements to the Hennepin County Tax Rolls
 - *Motion to approve a resolution certifying special assessments for Improvement Project No. 2023-01, Knox, James, and 54th Area Improvements to the Hennepin County Tax Rolls.*
- d. Resolution Authorizing Continuation of Municipal Liquor Operations in the City of Brooklyn Center
 - *Motion to Approve a Resolution Authorizing the Continuation of the City's Municipal Liquor Operations.*

- 9. Planning Commission Items**
- 10. Council Consideration Items**
- 11. Council Report**
- 12. Adjournment**

We Agree To

Internal Council Relations – Norms for 2021 – Practiced for next 90 days

- Seek to not repeat or re-iterate points that were already shared
- Engage in discussion and sharing alternate perspectives *without* weaponizing other people's words
- Recognize others with "What I heard you say is _____, with your permission, I'd like to move forward now."
- Call for consensus when it's time to make a discussion
- Allow new solutions in a time of dynamic change, process: (1) name the problem (2) find the process to resolve (3) have the discussion (4) make a decision.
- After open discussion, close down the chat during council chamber discussion (*need to vote on it).

Council Regular Meeting

DATE: 2/13/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: N/A

BY: Barb Suciu, City Clerk/Interim Assistant City Manager

SUBJECT: Approval of Minutes

Requested Council Action:

- *motion to approve the following meetings:*

- *January 23 Study Session*
- *January 23 Regular Session*
- *January 23 Work Session*

Background:

In accordance with Minnesota State Statute 15.17, the official records of all meetings must be documented and approved by the governing body.

Budget Issues:

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

ATTACHMENTS:

Description	Upload Date	Type
Study Session 1.23	2/7/2023	Backup Material
Regular Session 1.23	2/9/2023	Backup Material
Work Session 1.23	2/8/2023	Backup Material

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF BROOKLYN CENTER IN THE COUNTY
OF HENNEPIN AND THE STATE OF MINNESOTA

STUDY SESSION
JANUARY 23, 2023
CITY HALL – COUNCIL CHAMBERS

CALL TO ORDER

The Brooklyn Center City Council met in Study Session called to order by Mayor April Graves at 6:05 p.m.

ROLL CALL

Mayor April Graves and Councilmembers Marquita Butler, Kris Lawrence-Anderson, Dan Jerzak, and Teneshia Kragness. Also present were City Manager Reggie Edwards, Director of Fiscal & Support Services Angela Holm, Director of Public Works Elizabeth Heyman, Interim Director of Community Development Jess Anderson, Interim Assistant City Manager/City Clerk Barb Suci, and City Attorney Jason Hill.

CITY COUNCIL DISCUSSION OF AGENDA ITEMS AND QUESTIONS

Councilmember Jerzak requested the following corrections to the Study Session minutes of January 9, 2021:

Page 12 add via city newsletter

It was the majority consensus of the City Council to accept the correction to the January 9, 2023, Study Session minutes.

MISCELLANEOUS

SPECIAL WORK SESSION – FEBRUARY 6, 2023

City Manager Reggie Edwards stated the Work Session will be about planning future meetings and addressing crime.

Mayor Graves noted the Council Retreat is scheduled for February 4, 2023. Additionally, February 6, 2023, had previously been identified as a potential meeting date. Councilmember Butler stated she would prefer not to meet on February 6, 2023.

Councilmember Kragness agreed they need to address the increase in crime, but it doesn't have to be that date. Councilmember Jerzak noted there is a sense of urgency about crime in the

community, so he would like to see a Work Session.

Councilmember Butler asked why addressing crime couldn't be added to another Work Session that is already scheduled. Dr. Edwards stated the topic could be added to the February 13, 2023 Work Session. Councilmember Butler stated there would be more accessibility from the community to discuss the item on a regular meeting date, and it is an important issue that people will want to hear about.

Councilmember Kragness stated the topic can stand on its own with a separate meeting.

Councilmember Lawrence-Anderson noted February 6, 2023, works for her to attend. She added the Council has expressed interest in further discussing the content of future Work Sessions. Councilmember Lawrence-Anderson pointed out the potential additional Work Session had already been agreed upon previously.

It was the consensus of the City Council to schedule a Special Work Session on February 6, 2023.

Councilmember Jerzak stated he has specific questions about line items on the 2023 Fee Schedule for Staff. Mayor Graves stated the topic is on the Work Session for that evening.

Dr. Edwards stated February 13, 2023, City Council Work Session will include a discussion of the legislative agenda.

DISCUSSION OF WORK SESSION AGENDA ITEMS AS TIME PERMITS

FENCE CONSORTIUM

Dr. Edwards introduced the item and invited Emergency Manager Todd Berg to continue the Staff presentation.

Emergency Manager Todd Berg explained in the Fall of 2020, Hennepin Chiefs of Police had internal discussions regarding shared temporary fencing. In Spring 2021, a formal working group started and quickly grew beyond Hennepin County to the Metro Region. The goal was to obtain anti-scale fencing in a matter of hours rather than days.

Chief Berg showed a map indicating 28 agencies that have already signed up for the Consortium. The temporary anti-scale fencing reduces the need for crowd control measures to be used for violent or destructive actors. The fence promotes safety for all, removes the need for the line of police officers, minimizes potential impact on adjacent properties, crowd control measures are seen as escalating, acts as a tool for facilitating peaceful protests and frees up more resources to continue to respond to calls for service in impacted community.

Chief Berg noted the vendor would own and store enough fencing to cover the largest police department in the consortium and would be responsible for transporting the fence from the storage

area, to the needed site, and back to the storage area. Each city in the consortium would have to have one or two trained staff for unloading and setting up the fencing, which would include three training dates throughout the year.

Chief Berg explained as the Consortium grows, there is an opportunity to increase the fence amount, speed up the response time, or decreased cost. Each City pays its percentage of the actual cost based on its percentage of the total fence length the City's cost would be about \$6,000 annually. Brooklyn Center's cost for the fence rental in April of 2021 was \$180,000. On top of the annual fee, the receiving agency would pay for use of the fence each month, vendor loading and unloading costs, and freight for deployment and demobilization.

Chief Berg pointed out that joining the consortium would lower the freight cost, decrease response time, create an established response procedure, decrease labor costs, and keeps agency resources available to respond to other community needs.

Chief Berg noted the consortium considered buying the fencing. However, storage would be difficult. There has been an ask for State funding for the purchase of anti-scale fencing for the Fencing Consortium. It was a \$5 million ask that was not approved in 2022, but they are asking again in 2023. The funding would significantly reduce the ongoing cost each Consortium member will pay for the availability, storage, maintenance, and transportation of the fence. This cost reduction will improve equitable access to this de-escalation and safety tool for communities across not only the Seven County Metro area but also the state as a whole.

Chief Berg explained the funding from the State would significantly reduce the ongoing cost each participating Consortium member would pay for the availability, storage, maintenance, and transportation of the fence. This cost reduction will improve equitable access to this de-escalation and safety tool for communities across not only the Seven-County Metro area but also the State as a whole.

Chief Berg added if an agency is not a member by February 24, 2023, then additional members would be required to pay a surcharge to the Fencing Consortium and comply with additional requirements.

Mayor Graves asked if the fencing could be used for non-emergency situations. Chief Berg stated it is not currently an option, but the rules would likely be loosened if the State funding went through.

Mayor Graves asked if the \$180,000 was a one-time cost. Chief Berg stated the \$180,000 was paid throughout the year the City had the fence.

Mayor Graves noted Chief Berg mentioned the City would have to pay about \$20,000 per month to rent the fence. Chief Berg stated he would have to check on the math because it doesn't sound right.

Councilmember Jerzak asked if the State funding ask has been introduced to members of the Senate. Dr. Edwards stated he is not aware of that information. The Consortium would be in charge of that effort.

Councilmember Jerzak stated the \$6,000 is a relatively safe insurance policy to access the fence if needed. Also, the fencing could be used for alternative reasons such as securing a building after a tornado.

Councilmember Lawrence-Anderson stated she believes Brooklyn Center should move forward with the consortium. She would prefer to be proactive than reactive and to save money. She stated she would like more details on the cost differences.

Councilmember Kragness noted the consortium would have enough fencing to serve the largest participating municipality. She asked what would happen if there was civil unrest in multiple areas at the same time. Chief Berg confirmed there could be enough for a few smaller organizations to use the fencing at the same time, but not all members of the consortium could use the fencing at once.

Mayor Graves asked how it is determined which areas would need the fencing the most. She also asked what happens if they never need the fencing. Chief Berg stated the City would be out of money because it would be leased. However, if the State were to fund the effort, the payment to each participating City would pay significantly less.

Mayor Graves asked for Chief Berg to gather more information about how different areas are prioritized and more clarity on costs.

Councilmember Lawrence-Anderson asked if a lobbyist is working for the consortium. Chief Berg stated he is unsure if there are lobbyists or who the author is.

Councilmember Butler asked what the time frame of the lease is. Chief Berg stated the lease is set up annually, and the City could reassess the need each year.

Dr. Edwards pointed out that during the recent civil unrest, fencing was needed in residential areas also. He discussed that need with Chief Berg to learn more about where the fencing could be allocated within a City.

ADJOURNMENT

Hearing no objection, Mayor Graves adjourned the meeting at 6:43 p.m.

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF BROOKLYN CENTER IN THE COUNTY
OF HENNEPIN AND THE STATE OF MINNESOTA

REGULAR SESSION
JANUARY 23, 2023
CITY HALL – COUNCIL CHAMBERS

1. INFORMAL OPEN FORUM WITH THE CITY COUNCIL

CALL TO ORDER INFORMAL OPEN FORUM

The Brooklyn Center City Council met in Informal Open Forum called to order by Mayor April Graves at 6:43 p.m.

ROLL CALL

Mayor April Graves and Councilmembers Marquita Butler, Kris Lawrence-Anderson, Dan Jerzak, and Teneshia Kragness. Also present were City Manager Reggie Edwards, City Clerk Barb Suciu, and City Attorney Jason Hill.

Mayor April Graves opened the meeting with Informal Open Forum.

Tim J. noted he is from the Twin Lake Alano, a Club of Brooklyn Center. He explained they ended up with a broken sewer line that needed to be repaired. He asked if there was funding they could qualify for as a nonprofit. The repairs will be close to \$30,000.

Peter stated he is also a member of a group that uses the building. The Club has fallen on difficult financial times following COVID-19, and all of the reserve funds have been used. The Club was already starting fundraising efforts before the sewer line broke. The Clubhouse isn't looking for a handout, but it provides a significant service to the community and has served thousands of those in recovery throughout the years.

Dr. Edwards asked Tim J. and Peter to share their contact information with him for follow-up communication.

Lori B. asked what type of reprimand has been taken against the officers involved in the recruiting video for the Brooklyn Center Police Department. She noted she works with Communities United Against Police Brutality, and the organization has found countless violations of social media policies by law enforcement throughout Hennepin County. All instances were addressed with a reprimand or suspension despite varying policies throughout the County.

Lori B. read excerpts from the Brooklyn Center Police Department Code of Ethics regarding ethical conduct and social media. Lori B. explained the recent happenings on social media violate the Code of Ethics. She asked how many people need to come forward before something changes.

Lori B. added Kobe Heisler's heavenly birthday was Saturday, January 21, and he would have been 25. Autism is not a crime, and Kobe should be here.

Julie B. apologized for not bringing the item to the previous Council. She thanked the previous Council and Staff for addressing the issue faced in her neighborhood. As a Block Captain, she has received significantly fewer comments and concerns from community members. She added the Community Service Officers have also been helpful.

Joylenna G. noted she is a resident of Brooklyn Center. She stated it was dismissive of the Council to say there are other priorities when commenters shared concerns about social media conduct by Brooklyn Center law enforcement.

Joylenna G. pointed out the Charter Commission had a recent meeting where it established a subcommittee. She wanted to ensure that the subcommittee was following the open meeting laws. Additionally, certain items in the Charter Commission's October meeting were not voted on nor were they printed as a public announcement.

Joylenna G. asked what the difference is between a Freedom of Information Act request that is completed by a Commission in comparison to a request by a subject.

Joylenna G. stated there are still black fence posts around the Police Department, and she asked why those are still there.

Joylenna G. asked how many lawsuits Brooklyn Center received related to injuries sustained during protests or for unlawful detainment. Community safety is a priority on the legislative agenda, and some of that work could connect to work done by the Implementation Committee.

Joylenna G. noted the Implementation Committee presented to the Council in September 2022 and, by the request of the Council, has since completed two town hall meetings. The Implementation Committee has asked to do a first reading to the Council multiple times. She asked if there is a policy the Implementation Committee is unaware of for how to be on a Council agenda.

Mayor Graves stated Staff would have to follow up on procedures regarding a data request. She stated she shares some of the same concerns regarding the experiences of the woman with social media issues from law enforcement. Mayor Graves noted she reached out to the woman. The response to the issues is underway, and the Council cannot comment on them until the process is complete.

Mayor Graves added it is the role of Staff to ensure agendas are effective and to determine what items will be included. The Council is not opposed to hearing from the Implementation Committee.

Joylenna G. asked if there is a typical timeline for getting onto the agenda. Mayor Graves stated it is not uncommon for something to be a Work Session item three or four times before going on the Regular Session agenda.

Dr. Edwards stated the timeline to be on an agenda depends on the subject matter. Before a first reading, the Council must determine if there is something to discuss that would require a public hearing. Additionally, Council needs additional information from Staff before making that decision.

Joylenna G. asked if the first and second readings would be public hearings. Mayor Graves stated the Council hasn't yet received feedback from the town hall meetings or Staff recommendations on the topic. Once that is complete, the Council would discuss if a public hearing would be required.

Hope R. congratulated Mayor Graves.

Kevin S. stated many people in the community are anxious for an alternative mental health response to be announced. He has had several group homes move into his neighborhood, and there is a regular police presence at the group homes. Law enforcement has been doing a good job, and he looks forward to seeing how else the Implementation Committee will impact mental health response.

Kevin S. added he has concerns with safety equipment or unsafe cars on the street due to the other policies presented by the Implementation Committee. Several other community members have similar concerns.

Alfreda D. stated part of her is done with Brooklyn Center. Continued actions by Brooklyn Center Police Department have shown her this is not where she wants to invest her time. The response she has received from Council, specifically, Mayor Graves was extremely dismissive. The private message was not as important as the on-record meeting. She felt that Mayor Graves thought protecting the Police Department was more important than her safety.

Alfreda D. pointed out she has done an immense amount for the community. She has continually served on the frontlines, even when nine months pregnant. The same City representatives have said the threats to her life are not important. Alfreda D. stated she will no longer do anything for the City.

Mayor Graves stated Alfreda D. is entitled to her feelings, but she never said anyone's feelings didn't matter or that people being sworn in was more important than the feelings. She noted she would type out word-for-word what she said at the meeting for anyone interested. Mayor Graves explained she listened to and responded to the concerns of multiple commenters. She also spoke against cancel culture, mainly referring to the recruitment video. Also, she said there needs to be a follow-up on the egregious actions. However, as Mayor, she can only ask Staff to follow up on her concerns.

Councilmember Butler moved and Councilmember Jerzak seconded to close the Informal Open Forum at 7:08 p.m.

Motion passed unanimously.

2. INVOCATION

Councilmember Butler welcomed the new Councilmembers and Mayor. She read a quote from Henry Ford, “Coming together is the beginning. Keeping together is progress. Working together is a success.” She also shared a quote from Maya Angelou, “...in diversity there is beauty and there is strength.”

3. CALL TO ORDER REGULAR BUSINESS MEETING

The Brooklyn Center City Council met in Regular Session called to order by Mayor April Graves at 7:09 p.m.

4. ROLL CALL

Mayor April Graves and Councilmembers Marquita Butler, Kris Lawrence-Anderson, Dan Jerzak, and Teneshia Kragness. Also present were City Manager Reggie Edwards, City Clerk Barb Suciu, and City Attorney Jason Hill.

5. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

6. APPROVAL OF AGENDA AND CONSENT AGENDA

Mayor Graves noted there were a couple of changes to the minutes regarding Commission appointments which were agreed upon by the Council.

Councilmember Jerzak moved and Councilmember Butler seconded to approve the Agenda and Consent Agenda, as amended, and the following consent items were approved:

6a. APPROVAL OF MINUTES

1. January 9, 2023 – Study Session
2. January 9, 2023 – Regular Session
3. January 9, 2023 – Work Session

6b. LICENSES

MECHANICAL

Flick

1601 Freeway Boulevard, 55430

MECHANICAL

Flick

6110 Brooklyn Boulevard, 55430

MECHANICAL

Anderson Mechanical

3854 Wildwood Drive NE, Ham
Lake, 55304

Southside Heating & Air Conditioning

10808 Normandale \Boulevard
Bloomington, 55437

RENTAL

INITIAL (TYPE IV – six-month license)

2613 65th Avenue N

Stephen Zepka/Gregory Slah

2813 64th Avenue N

Everest Holdings, LLC

5556 Emerson Avenue N

Thomas D Belting

INITIAL (TYPE II – two-year license)

5344 Russell Avenue N

Cloeshette King Torboh

3600 Admiral Lane

HPA CL2 LLC

4112 Woodbine Lane

Shoua Vang & Nancy Xiong

6030 Colfax Avenue N

Hector Vizcarra

7024 Ewing Avenue N

Moua Star Homes, LLC

RENEWAL (TYPE IV – six-month license)

3601 47th Avenue N

8411 Balboa LLC

4811 Lakeview Avenue N

Eileen Booker

5211 Xerxes Avenue N

BMW Holdings LLC

4201 Lakeside Avenue N, #104

Jmg Property Llc

3006 51st Avenue N

Naisha Nicole Bell

3125 65th Avenue N

Hp Minnesota I Llc

5337 Queen Avenue N

Edith Perlin/Gregory Perlin

6018 Camden Avenue N	Crystal Clear Investment Llc
6600 Dupont Ave N	Thomas Le & Mai Le
6937 Unity Avenue N	Wells Bovard
<i>RENEWAL (TYPE III – one-year license)</i>	
7256 Unity Avenue N	Unity Limited Partnership
6812 Scott Avenue N	Lankia Lartey
<i>RENEWAL (TYPE II – two-year license)</i>	
5300 France Avenue N	Ih3 Property Minnesota Lp
<i>RENEWAL (TYPE I – three-year license)</i>	
4207 Lakeside Avenue N, #104	Matthew Blackler
2006 Brookview Drive	Mnsf li W1 Llc
5627 Knox Avenue N	PRO Operam Sub XIII LLC
5712 Bryant Avenue N	Fyr Sfr Borrower Llc
6807 Drew Avenue N	John C Yufanyi

- 6c. RESOLUTION NO. 2023-23; ACCEPTING STATE CONTRACT PRICING AND AWARDED A CONTRACT, PROJECT NO. 2023-06, 2023 PARK PLAYGROUND REPLACEMENTS**
- 6d. RESOLUTION NO. 2023-24; IN SUPPORT OF THE MINNESOTA HEALTH PLAN AND FEDERAL MEDICARE FOR ALL ACT**
- 6e. RESOLUTION NO. 2023-25; REVOKING RESOLUTION NO. 2019-120 AND RENAMING THE PHYSICAL SPACE TO THE OFFICE OF THE CITY COUNCIL**

Motion passed unanimously.

Mayor Graves noted Consent Agenda Item 6e. Resolution Revoking Resolution No. 2019-120 and Renaming the Physical Space to the Office of the City Council changed the name of physical space from Office of the Mayor to Office of the City Council to allow for other Councilmembers to use the space as needed. Each Councilmember can choose office hours and discuss options with Staff.

7. PRESENTATIONS/PROCLAMATIONS/RECOGNITIONS/DONATIONS

None.

8. PUBLIC HEARINGS

None.

9. PLANNING COMMISSION ITEMS

None.

10. COUNCIL CONSIDERATION ITEMS

10a. APPROVAL OF MINUTES

Mayor Graves noted there weren't enough previous Councilmembers present to pass the item at the previous meeting.

Mayor Graves moved and Councilmember Lawrence-Anderson seconded to approve the following minutes:

1. December 5, 2022 – Special Meeting
2. December 12, 2022 – Study Session
3. December 12, 2022 – Regular Session
4. December 21, 2022 – Special Executive Session

Councilmembers Jerzak and Kragness abstained from the vote. Motion passed.

10b. COMMISSION APPOINTMENTS

Mayor Graves stated she has appointed Joylenna Garcia and Linda Yang to the Finance Commission. The Finance Commission is now full.

Councilmember Kragness asked how many other vacancies there are on the Commissions. City Clerk Barb Suci stated there are a couple of openings on the Housing Commission, but the Commissions are otherwise filled.

Dr. Edwards noted two more Commissions will be created in the coming months. Mayor Graves pointed out there were other applicants she thought would be a good fit for one of the new Commissions.

Councilmember Lawrence-Anderson noted new Commissions are a pending Work Session item. She asked if the new Commissions will be voted on. Dr. Edwards stated the item will be discussed in Work Session.

Councilmember Lawrence-Anderson thanked Mayor Graves for filling the Commissions.

Councilmember Butler moved and Councilmember Lawrence-Anderson seconded to ratify the appointment of Joylenna Garcia and Linda Yang to the Finance Commission.

Motion passed unanimously.

11. COUNCIL REPORT

Councilmember Jerzak reported on his attendance at the following and provided information on the following upcoming events:

- Attended a meeting with several business owners from the Shingle Creek area along with police officers. It has been an ongoing meeting to address the continued retail theft in the area as it has a significant impact on businesses.
- Attended the Crime Prevention Board meeting which covered a new camera system among other agenda items.
- Noted on Martin Luther King Jr. Day on January 16, 2023, following the homicide and carjacking at 6950 Brooklyn Boulevard on January 15, 2023, he visited thirteen businesses in the vicinity of the crimes. The experiences of the surrounding businesses are a serious concern. The business owners are having issues obtaining both customers and employees. One business owner has seen two homicides. The business owners have since experienced depression and anxiety. Councilmember Jerzak stated he has discussed the issue with Staff and looks forward to a Work Session regarding the increased crime.

Councilmember Lawrence-Anderson reported on her attendance at the following and provided information on the following upcoming events:

- Attended the Crime Prevention Board meeting as a guest and is now the liaison.
- Attended the Lions State Dinner Fundraiser at the Crystal VFW.
- Attended a recent Rotary meeting.
- Attended the recent Charter Commission meeting as a guest.
- Noted she is behind on emails due to a personal loss along with transitional issues in the new email system.
- Pointed out Community Emergency Assistance Programs (CEAP) is doing a warmth drive in partnership with Brooklyn Center Liquor Stores.

Councilmember Kragness reported on her attendance at the following and provided information on the following upcoming events:

- Attended the Lions State Dinner Fundraiser at the Crystal VFW.

Mayor Graves reported on his attendance at the following and provided information on the following upcoming events:

- Completed two interviews with the media.
- Met with Brooklyn Center's lobbyist regarding legislative priorities.
- Attended the Fire Relief board meeting.
- Attended the Northwest Tourism board meeting.
- Attended the Hmong Village tour with the Emerging BC group.

- Met with Nicoshia Wynn who coordinates a summer program for youth called Relentless Academy.
- Met with Julius who runs the space which used to be Community Corner.
- Met with Art Johnson who works with data and measurements for equity.
- Met with Samba who ran for City Council in Maple Grove and is doing programming with young people and local businesses.
- Met with the Manager of the Office of Prevention, Health, and Safety.
- Met with Staff Amina and Margretta who have been working with the Implementation Committee.
- Met with Amity Dimock.
- Attending Blue Line Steering Committee meeting.

12. ADJOURNMENT

Councilmember Butler moved and Councilmember Jerzak seconded the adjournment of the City Council meeting at 7:27 p.m.

Motion passed unanimously.

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL/ECONOMIC
DEVELOPMENT AUTHORITY OF THE CITY OF BROOKLYN CENTER
IN THE COUNTY OF HENNEPIN AND
THE STATE OF MINNESOTA

WORK SESSION
JANUARY 23, 2023
CITY HALL – COUNCIL CHAMBERS

CALL TO ORDER

The Brooklyn Center City Council/Economic Development Authority (EDA) met in Work Session called to order by Mayor/President April Graves at 7:28 p.m.

ROLL CALL

Mayor/President April Graves and Councilmembers/Commissioners Marquita Butler, Kris Lawrence-Anderson, Dan Jerzak, and Teneshia Kragness. Also present were City Manager Reggie Edwards, Interim Community Development Director Jesse Anderson, Planner and Zoning Administrator Ginny McIntosh, City Attorney Jason Hill, and Interim Assistant City Manager/City Clerk Barb Suciu.

FENCE CONSORTIUM

This item was addressed at the January 23, 2023 Study Session.

2023 FEE SCHEDULE

Dr. Edwards explained the item was previously on a Consent Agenda, but it was pulled by Council for additional discussion.

Councilmember/Commissioner Jerzak thanked Staff for the memo with information. He asked why the rental fees decreased as it is a goal in the City to increase home ownership. The conversion fee being reversed is also an issue in housing equity.

Councilmember/Commissioner Jerzak noted there is a new fee for temporary signs. He stated new businesses have enough issues making rent or starting up their business and the \$25 fee on top of the code enforcement starts out the relationship between the business and the City in an adversarial manner.

Councilmember/Commissioner Jerzak added the vacant building registration is near and dear to his heart because he was a co-author on the ordinance. The intention of the fine is to disincentivize properties with long-term vacancies. The vacancies are generally related to Housing and Urban Development (HUD), but there are exceptions which are addressed by the ordinance. The ordinance is meant as a tool for last resort, and you want to use it against poor landlords. He noted

significant resources have been spent on a vacant home in his neighborhood, but the ordinance could instead be implemented to move the process along and decrease the use of City resources.

Councilmember/Commissioner Jerzak stated he understands the \$100 for special events. However, there should be a category that allows for the fee to be waived due to financial need.

Councilmember/Commissioner Jerzak pointed out there is a fee for residential fences. Education is key as a building permit is required for certain fences as are inspections. The City doesn't pay for the survey, nor do they keep the surveys. Similar issues apply to homes that need to widen the driveway due to multi-generational housing and the inability to park on the street overnight.

Councilmember/Commissioner Jerzak stated the courtesy benches are very confusing, particularly regarding who is responsible for maintenance and upkeep. He asked why there isn't a specified time frame in the updated fee schedule regarding temporary signs. Brooklyn Center wants to encourage entrepreneurship, but the lack of clarity in the proposed changes does not.

Councilmember/Commissioner Jerzak stated he would like more information about the consequences of tenant protection violations and if it has been implemented. As for the public subsidy application fees, he would like more explanation about the process and fees.

Councilmember/Commissioner Jerzak added the top complaint related to weed inspection and removal is tall grass. Some people intentionally do not mow their lawns, but there is no disincentive. It is short-sided to remove the reinspection fee.

Interim Community Development Director Jesse Anderson stated he would recommend not removing the rental conversion fee as it has already been accounted for in the 2023 budget. Staff is open to keeping the vacancy fee on the schedule. For the driveway and fence fee, Staff would be amenable to lowering the fee, although \$25 is a relatively low fee already.

Mr. Anderson pointed out the tenant protection fee was on the books before the tenant protection rights discussions. The fee is for when there is a conversion to a new owner and the owner doesn't properly handle the requirements. The fee is also included in the new tenant protection ordinance.

Mr. Anderson noted Brooklyn Center was advised by the City Attorney to remove the weed reinspection fee as it is not legally sound due to issues with proper notice for appeal. They chose to use administrative penalties instead of fees to align with the legal recommendation.

Mr. Anderson added the initial rental fee was confusing due to the \$400 initial fee, the \$300 renewal fee, and the \$500 conversion fee, so the change was made to be simpler to understand for applicants.

Planner and Zoning Administrator Ginny McIntosh explained the administrative permit used to be the temporary sign permit for special events. There is now a special events ordinance that would cover temporary signs. The administrative permit doesn't function the same way anymore. \$25 was the same fee for the administrative permit.

Ms. McIntosh stated the subsidy fee hasn't changed either. \$3,000 was the initial deposit, and \$10,000 has been the fee with public subsidy. Establishing a Tax Increment Financing district costs around \$20,000-30,000. The fees start the process.

Ms. McIntosh stated they were trying to keep fence and driveway fees low and promote residents applying for the changes in the first place. They looked at other communities to compare fees. Also, most people weren't getting surveys or building the correct height of fences, so the hope was to get the City involved in the process earlier on. There are now approved surfaces and setbacks for driveways, and the goal of the fee was to get people involved with the City at the beginning of the process to ensure more money and time aren't spent down the line for compliance.

City Clerk Barb Suciou stated the special events fee is \$100. If the host is a nonprofit, they are not charged the fee following the ordinance.

Councilmember/Commissioner Lawrence-Anderson stated she would like more sit-down restaurants in the City, but there are several fee structures in the code for wine licenses and the like. She asked if the fees are similar to nearby cities. She asked for the distance required between schools and establishments with an escort, dancing, and adult encounter groups. The new code also allows for pawn shops in Brooklyn Center, which has an issue with dealing with stolen goods. She requested a private meeting with Dr. Edwards for further questions.

City Manager Edwards stated he would be willing to meet with Councilmember/Commissioner Lawrence-Anderson. Staff would also compile all of the answers to distribute to the rest of the Council.

Ms. Suciou stated Staff can survey comparable cities to compare liquor license fees. As for pawnshops, there aren't any licensed pawnshops in the City and Staff would have to look at that further. Ms. McIntosh noted Staff spoke with the City Attorney regarding pawnshops, and there are very few locations in Brooklyn Center it would be allowed, most of which are occupied by Luther.

Mayor/President Graves asked when the last time there was a discussion about liquor license fees was. Ms. McIntosh stated there was a discussion about five years before simplifying the process and reducing fees.

Councilmember/Commissioner Jerzak stated the explanation from Mr. Anderson addressed his concerns. He thanked Mr. Anderson for the information.

CONCEPT PROPOSAL FOR MIXED-USE DEVELOPMENT AT 1500 69TH AVENUE NORTH

Planner and Zoning Administrator Ginny McIntosh explained concept reviews are an opportunity for the City Council/EDA to review a development concept before a formal proposal from an applicant, provide comments, ask questions, and indicate whether or not the City would be open

to the project. Concept reviews are helpful for potential projects that are diverse from established land use and zoning regulations or address concerns of a project early on. The proposal is advisory and non-binding.

Ms. McIntosh stated Julius Cochran is proposing the redevelopment of 1500 69th Avenue North, which is the location of the former Brooklyn Center School District Community Corner. The applicant purchased 1500 69th Avenue North in June 2021 and currently operates New Generations LLC, which is a licensed Home and Community Based organization for people with disabilities, from this location.

Ms. McIntosh added several deadlines are coming up related to grants and other financings. She showed a slide with the two lots in question, totaling 1.03 acres. There is a four-plex apartment on the site to the west owned by the applicant. The applicant hopes to obtain additional land.

Ms. McIntosh showed a potential site plan. As proposed, the Applicant would demolish the existing 3,500-square-foot, one-story building, and construct a four-story, 64,420-square-foot mixed-used development in its place. As is currently contemplated, the proposal would provide 31 units of multi-family housing for veterans (mix of 3 studio units, 27 one-bedroom units, and 1 two-bedroom unit); 5,270-square feet of office space for 24-hour, on-site service provider for veterans' housing; 1,000-square foot coffee shop; 2,900-square feet of commercial retail space; and 10,800-square feet of amenity space and amenity deck (i.e. for multi-family residential, mailrooms, etc.). There is potential for a parking deficiency.

Ms. McIntosh noted to move forward with the project, the Applicant has indicated that they will be seeking Tax Increment Financing (TIF) as well as letters of support for the upcoming Minnesota Housing Finance Agency (MHFA) tax credit and Metropolitan Council Livable Communities Demonstration Account (LCDA) and pre-development grant cycles. The current TIF request is for 25 years. The developer would need to finalize their application submittal package to the City for consideration and potential approval. The request would likely include rezoning, replat/consolidation, site and building plan, and potential parking variance.

Councilmember/Commissioner Butler stated she has a concern about parking as the nearby streets are very busy. There would be an issue with guest parking for the renters. However, she is supportive of the overall concept. She asked what would happen to the approvals if the project were to fall through or if TIF was not received.

City Attorney Jason Hill stated the approvals would remain in place and another developer could come in to make use of the approvals. Dr. Edwards stated the lack of funding would not legally impact the future development, but it could impact the business being completed itself. Mr. Hill stated he is not the TIF expert in his law firm, but he can gather further information from colleagues.

Councilmember/Commissioner Jerzak noted his strong support of housing for veterans. He asked if other sites in the City would be a better fit for the project. He noted it would be unfortunate to

disrupt the long-term planning projects in Brooklyn Center for a newer project, despite his support of veteran housing.

Councilmember/Commissioner Kragness asked if there is another way the City Council/EDA can support the vision rather than through the TIF process. Ms. McIntosh stated the City Council/EDA could write a letter of support for MHFA and LCDA among other financing agencies.

Mayor/President Graves asked if the project would require the creation of a completely new TIF district. Ms. McIntosh confirmed that was correct.

Mayor/President Graves asked if Brooklyn Center has done two letters of support twice in the same year. Ms. McIntosh shared an example of an EDA-owned property that the City Council/EDA supported for TIF in 2019, but it took until 2022 for the developer to get approved for TIF. The issue for the City Council/EDA to consider is the level of development control.

Mayor/President Graves agreed she likes the concept and the location. However, she has concerns about parking. She asked if there would need to be active on the property before the new code is in place. Ms. McIntosh stated the new code would allow the zoning.

Ms. McIntosh stated the developer will need TIF and letters of support to move forward. She asked the City Council/EDA if they would provide letters of support or have any particular concerns beyond parking.

Councilmember/Commissioner Lawrence-Anderson stated the City needs to stay committed to the support of Project for Pride in Living for the Opportunity Site. She stated they cannot guarantee TIF funding for the proposal as they have already shown support for the Opportunity Site. Councilmember/Commissioner Jerzak noted his agreement with Councilmember/Commissioner Lawrence-Anderson.

Mayor/President Graves stated the Council is supportive of the project at a later time.

Victoria Yepez, co-developer on the proposed project, stated TIF would not be required for the developer to apply for additional funding through the State. A letter of support would be needed from the City to show what can be done on the site. As far as competing on a tax credit level at the State, there are four percent tax credits and nine percent tax credits. The developer would go for the nine percent tax credits as all of the housing is supportive housing. However, PPL is most likely applying for the four percent tax credits. The tax credits are not limited. Instead, it is the bonds that are limited that trigger the four percent tax credits. The proposed project would not be using housing bonds. Additionally, there are several other grants and funding assistance the developers are looking to apply to.

Ms. Yepez added the developer is looking to do underground parking. From their understanding, the parking requirements would be met. The developer is also willing to do a traffic study.

Ms. Yepez pointed out there is a serious need for veteran housing. There are hundreds of homeless veterans in Minnesota. She noted the building would provide 24-hour support and resources to veterans in the housing. The goal is to build safe, sustainable housing for those in need. The Metropolitan Council has data that shows Brooklyn Center needs 30 percent area median income (AMI) housing, which is the housing included in the proposal.

Dr. Edwards noted the Council/EDA is supportive of the project as long as it doesn't compete with the process started with PPL. Staff will work together to determine if there are competing interests and how parking and traffic could be best addressed.

Councilmember/Commissioner Butler asked what the potential timeline for the project is. Ms. Yepez stated if the developer was granted tax credits in the coming round, the plan would be to break ground in March 2024 and about one year of construction.

Councilmember/Commissioner Jerzak asked if the request meets the zoning requirements for the City to provide a letter to the developer. Ms. McIntosh stated the developer would need to obtain the additional property to align with density requirements. The caveats can be included in the letter of support.

Mr. Misco noted veterans have been given a hard path for a long time. It wasn't until recently that veterans received additional support. He stated he has worked with several nonprofits that support veterans. No veterans should be homeless. Many veterans need special mental health and chemical dependency support. Veterans have shown the ultimate sacrifice for their homes. He shared the stories of various veterans present at the meeting.

Joseph Cochran stated he was drafted in 1966 for Vietnam. He completed two tours. When he returned, he had some good support. However, he has struggled with alcoholism. Anyone willing to help veterans, needs to happen now before it is too late.

Mayor/President Graves thanked the veterans for their service and sharing with the Council.

The Council/EDA reached a consensus to support a zoning letter for the developer to apply for grants and funding resources, with the caveats addressing the conditions to meet density requirements.

UPCOMING ITEMS

- Grant Discussion
- Special Assessment Policy/Franchise Fees
- Emerald Ash Borer Policy Review
- Community-Wide Survey
- Memorial Policy
- Establishing a Beautification and Public Art Commission
- Establishing a Safety Violence Prevention Commission
- Liquor Store

- 252/94 Report

ADJOURNMENT

Councilmember/Commissioner Jerzak moved and Councilmember/Commissioner Butler seconded the adjournment of the City Council/Economic Development Authority Work Session at 8:23 p.m.

Motion passed unanimously.

Council Regular Meeting

DATE: 2/13/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: N/A

BY: Barb Suciu, City Clerk/Interim Assistant City Manager

SUBJECT: Approval of Licenses

Requested Council Action:

- *Motion to approve the licenses as presented.*

Background:

The following businesses/persons have applied for City licenses as noted. Each business/person has fulfilled the requirements of the City Ordinance governing respective licenses, submitted appropriate applications, and paid proper fees. Applicants for rental dwelling licenses are in compliance with Chapter 12 of the City Code of Ordinances, unless comments are noted below the property address on the attached rental report.

Mechanical Licenses

Air Mechanical, Inc.
16411 Aberdeen St
Ham Lake, 55304

Guptil Contracting
3650 Annapolis Ln N
Plymouth, 55447

Budget Issues:

- None

Inclusive Community Engagement:

- None

Antiracist/Equity Policy Effect:

- None

Strategic Priorities and Values:

Operational Excellence

ATTACHMENTS:

Description	Upload Date	Type
Rental Criteria	3/16/2021	Backup Material
Rental Licenses 2.13	2/8/2023	Backup Material

Property Code and Nuisance Violations Criteria		
License Category (Based on Property Code Only)	Number of Units	Property Code Violations per Inspected Unit
Type I – 3 Year	1-2 units	0-2
	3+ units	0-0.75
Type II – 2 Year	1-2 units	Greater than 2 but not more than 5
	3+ units	Greater than 0.75 but not more than 1.5
Type III – 1 Year	1-2 units	Greater than 5 but not more than 9
	3+ units	Greater than 1.5 but not more than 3
Type IV – 6 Months	1-2 units	Greater than 9
	3+ units	Greater than 3

b. Police Service Calls.

Police call rates will be based on the average number of valid police calls per unit per year. Police incidences for purposes of determining licensing categories shall include disorderly activities and nuisances as defined in Section 12-911, and events categorized as Part I crimes in the Uniform Crime Reporting System including homicide, rape, robbery, aggravated assault, burglary, theft, auto theft and arson.

Calls will not be counted for purposes of determining licensing categories where the victim and suspect are “Family or household members” as defined in the Domestic Abuse Act, Minnesota Statutes, Section 518B.01, Subd. 2 (b) and where there is a report of “Domestic Abuse” as defined in the Domestic Abuse Act, Minnesota Statutes, Section 518B.01, Subd. 2 (a).

License Category	Number of Units	Validated Calls for Disorderly Conduct Service & Part I Crimes (Calls Per Unit/Year)
No Category Impact	1-2	0-1
	3-4 units	0-0.25
	5 or more units	0-0.35
Decrease 1 Category	1-2	Greater than 1 but not more than 3
	3-4 units	Greater than 0.25 but not more than 1
	5 or more units	Greater than 0.35 but not more than 0.50
Decrease 2 Categories	1-2	Greater than 3
	3-4 units	Greater than 1
	5 or more units	Greater than 0.50

Rental Licenses for Council Approval 2.13.23.

Property Code							Final License Type**		Previous License Type***
Location Address	License Subtype	Renewal/Initial	Owner	Violations	License Type	Police CFS*			
3701 54th Ave N	Single	Initial	Van Cooley	5	Type II	N/A	Type II		N/A
4600 65th Ave N	Single	Initial	AUX Funding LLC	6	Type III	N/A	Type III		N/A
5333 James Ave N	Single	Initial	Angelique Kapila	9	Type III	N/A	Type III		N/A
6224 Scott Ave N	Single	Initial	AUX Funding LLC	6	Type III	N/A	Type III		N/A
6225 Unity Ave N	Single	Initial	HPA CL2 LLC	12	Type IV	N/A	Type IV		N/A
6512 Indiana Ave N	Single	Initial	Carlos Bunay	10	Type IV	N/A	Type IV		N/A
6331 Beard Ave N	Multiple Family 3 Bldgs 36 Units	Renewal	Ccf1 Mn Llc Did not meet requirements	88 = 2.4 per unit	Type III	None	Type IV		Type IV
5337 Queen Ave N	Two Family	Renewal	Edith Perlin/gregory Perlin Did not meet requirements	0	Type I	None	Type IV		Type IV
2001 54th Ave N	Single	Renewal	Serendipity Investment Llc	19	Type IV	None	Type IV		Type II
3218 63rd Ave N	Single	Renewal	Madison Ave Homes Llc	7	Type III	None	Type III		Type IV
3512 Woodbine La	Single	Renewal	SFR Acquisitions 6, LLC Did not meet requirements	10	Type IV	None	Type IV		Type III
3813 61st Ave N	Single	Renewal	Deluxe Properties Llc Did not meet requirements	1	Type I	None	Type IV		Type IV
5312 Lilac Dr N	Single	Renewal	Jason Gamache	5	Type II	None	Type II		Type II

5333 Bryant Ave N	Single	Renewal	Badikambudi Helene Kazadi Did not meet requirements	4	Type II	None	Type IV	Type IV
5406 Sailor La	Single	Renewal	Jmw Investments Llc Met Requirements	9	Type III	None	Type III	Type III
5661 Northport Dr	Single	Renewal	Allan Kemboi Did not meet requirements	8	Type III	None	Type IV	Type IV
5700 Camden Ave N	Single	Renewal	Danmark Properties Llc Did not meet requirements	4	Type II	None	Type IV	Type IV
5807 Bryant Ave N	Single	Renewal	Obafemi Oladeji Met Requirements	2	Type I	None	Type I	Type IV
5818 Humboldt Ave N	Single	Renewal	Jay B Olson	7	Type III	None	Type III	Type II
5821 Ewing Ave N	Single	Renewal	lh2 Property Illinois Lp Did not meet requirements	13	Type IV	None	Type IV	Type IV
6106 Aldrich Ave N	Single	Renewal	Home Sfr Borrower Llc Did not meet requirements	3	Type II	None	Type IV	Type IV
7013 Fremont Ave N	Single	Renewal	lh2 Property Illinois Lp	7	Type III	None	Type III	Type II
7025 Logan Ave N	Single	Renewal	Summit Properties Llc Did not meet requirements	12	Type IV	None	Type IV	Type IV
7211 Camden Ave N	Single	Renewal	Bannerman Real Estate Llc Met Requirements	0	Type I	None	Type I	Type IV

*CFS = Calls for service for Renewal Licenses Only (Initial licenses are not applicable to calls for service and will be listed :

**License type being issued

***Initial licenses will not show a Type I = 3 Year, Type II = 2 year, Type III = 1 Year, Type IV = 6 months

All properties are current on City utilities and property taxes

Council Regular Meeting

DATE: 2/13/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: N/A

BY: Jesse Anderson, Interim Community Development Director

SUBJECT: Resolution Approving the Sixth Amendment to Lease Agreement and Relocation Assistance Agreement with Sheng Zheng, Wang Lin, Lin, Inc., Operating Under the Trade Name "Ocean Buffet" and Alatus Brooklyn Center

Requested Council Action:

- Motion to authorize approval of a Resolution Approving the Sixth Amendment to Lease Agreement and Relocation Assistance Agreement with Sheng Zheng, Wang Lin, Lin, Inc., Operating Under the Trade Name "Ocean Buffet" and Alatus Brooklyn Center

Background:

On November 12, 2013, the EDA adopted Resolution No. 2013-17, which authorized the acquisition of certain parcels to facilitate redevelopment opportunities within the Opportunity Site of the former Brookdale Square Shopping Center.

On December 23, 2013, the EDA closed on the properties and became the owner of the 23.2 acre commercial site which included a number of leases, including the Ocean Buffet stand alone restaurant. The city worked with existing businesses within the center to negotiate voluntary terminations of leases and ultimately demolished the shopping center, leaving only the Ocean Buffet restaurant remaining on site.

In February 2021, the EDA approved a lease amendment and relocation agreement with Ocean Buffet that would allow them to extend their option agreement for one year, receive a one-time non-refundable relocation payment of \$40,000 from the EDA, and waive the base rent for up to one year while Alatus worked to get approval for an initial development on the site and close on the site.

The purpose of structuring the agreement in this way allowed Ocean Buffet to operate their business in a way that is financially feasible for them until a closing might occur. It also provided the city with a maximum liability in terms of relocation obligation. In the event that the closing doesn't occur and the project doesn't proceed the city's relocation obligation will have been met by this agreement.

Due in part to the pandemic, as well as a desire to conduct deeper community engagement, the project did not proceed on the originally anticipated timeline. The development was delayed by approximately eight months, and the closing did not occur by December 31, 2021 as originally estimated. In January 2022, the EDA approved an 8-month extension to the agreement to August 31, 2022. All other terms of the agreement remained the same.

The project is still expected to close in spring with construction starting before winter, However, Ocean Buffet and Alatus are now requesting an additional extension. The current amendment will allow for the

closing to occur with a 30 day notice to Ocean Buffet. The lease can extend as necessary to a month to month lease. The terms of the agreement remain the same.

The terms previously agreed to and encompassed in the attached agreement are as follows:

1. The EDA has paid Ocean Buffet a fixed payment in an amount of \$40,000.
2. Alatus would pay Ocean Buffet a lease termination payment amount of \$300,000 at the time of closing on the property.
3. Ocean Buffet agrees to terminate the lease and waive their extension at closing of the sale of the property, provided that occurs on or before February, 2023.
4. The EDA would agree to waive rent payments during the remaining term of the lease. Ocean Buffet will continue to be responsible for any real estate taxes, utility payments, or additional payments above and beyond the minimum annual rent being waived while they remained in business.
5. In the event that Alatus does not acquire the EDA property and the project does not proceed, Ocean Buffet retains the right to exercise their lease extension under the current terms of the lease; however, the EDA's relocation obligation will have been met by this agreement and would not need to be paid again to facilitate a future redevelopment.

The Sixth Amendment to Lease Agreement and Relocation Assistance Agreement would be a three-party agreement between the EDA, Ocean Buffet's owners, and Alatus. The agreement is attached to this memo. The agreement does not obligate the City or EDA in any way to Alatus or the development project; however, it does obligate Alatus to pay Ocean Buffets Lease buy-out in the event that the project moves forward.

Budget Issues:

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

Targeted Redevelopment

ATTACHMENTS:

Description	Upload Date	Type
Resolution	1/26/2023	Resolution Letter
Lease Amendment	1/24/2023	Backup Material

Commissioner_____introduced the following resolution and moved its adoption:

EDA RESOLUTION NO. **2023-**_____

RESOLUTION APPROVING THE SIXTH AMENDMENT TO LEASE
AGREEMENT AND RELOCATION ASSISTANCE AGREEMENT
WITH SHENG ZHENG, WANG LIN, LIN, INC., OPERATING
UNDER THE TRADE NAME “OCEAN BUFFET” AND ALATUS
BROOKLYN CENTER

WHEREAS, the Economic Development Authority of Brooklyn Center, Minnesota (the “Authority”) is the owner of certain premises known as Store #5810 consisting of 8,100 rental square feet located at 5810 Shingle Creek Parkway, Brooklyn Center, Minnesota (the “Premises”); and

WHEREAS, the Authority leases the Premises to Sheng Zheng, individually, Wang Lin, individually, and Lin, Inc., operating under the trade name “Ocean Buffet” (collectively, the “Tenant”); and

WHEREAS, the Authority and the Tenant’s predecessors in interest entered into a Lease Agreement for the Premises on March 10, 2011 (the “Lease”), the Lease was amended in March of 2016 by the Authority and the Tenant; and

WHEREAS, the Authority intends to sell property that includes but may not be limited to the Premises to Alatus Brooklyn Center, a Minnesota limited liability company (the “Purchaser”) for the purpose of redevelopment, including the demolition of the Premises; and

WHEREAS, the Tenant is eligible to receive relocation services and assistance from the Authority provided under the Minnesota Uniform Relocation Act, Minnesota Statutes, Section 117.52 if it is required to relocate due to the redevelopment of the Premises; and

WHEREAS, the Authority contracted with a relocation consultant to provide relocation services to the Tenant; and

WHEREAS, the Authority’s consultant has provided relocation services to the Tenant and advised the Tenant of its rights under the Minnesota Uniform Relocation Act; and

WHEREAS, the Authority and the Tenant reached an agreement to an amendment to the Lease Agreement to add a Relocation Agreement in January 2021, and Tenant was paid a one-time non-refundable Relocation Payment in the amount of \$40,000; and

WHEREAS, the Tenant has also agreed to terminate the Lease early and the Purchaser has agreed to pay the Tenant an early termination payment of \$300,000 if the sale of the Premises to the Purchaser occurs; and

WHEREAS, during the remaining term of the Lease, the Authority has agreed that Tenant does not need to pay any Minimum Annual Rent under Section 4.01(a) of the Lease, but shall remain obligated to pay Additional Rent and Percentage Rent; and

WHEREAS, in the event that the sale of the Premises does not occur by the lease termination date, the Tenant shall have the right to notify Landlord, by email, of its exercise of the Option Term under the terms of the Lease, which would extend their lease an additional five years, but no further relocation payments will be due to the Tenant because the Tenant's continued occupancy of the Premises after it has received the relocation payment is an occupancy that begins after the date of the property's acquisition for the project under 49 C.F.R. 24.2(a)(9)(ii)(B); and

WHEREAS, the Authority and Tenant agreed to amend the Lease Agreement and Relocation Assistance Agreement in July 2022 to extend the lease termination date to November 30, 2022; and

WHEREAS, the Authority and Tenant agreed to amend the Lease Agreement and Relocation Assistance Agreement in September 2022 to extend the lease termination date to February 30, 2023; and

WHEREAS, the Purchaser and Tenant have negotiated, and are requesting the Authority to consider, a sixth amendment to the Lease Agreement and Relocation Assistance Agreement to extend the lease termination date to September 30, 2023.

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

1. The EDA hereby approves the Sixth Amendment to Lease Agreement and Relocation Assistance Agreement substantially in accordance with the terms set forth in the form presented to the Board, together with any related documents necessary in connection therewith (collectively, the "Lease Amendment and Relocation Documents") and hereby authorizes the President and Executive Director to negotiate the final terms thereof and, in their discretion and at such time as they may deem appropriate, to execute the Lease Amendment and Relocation Documents on behalf of the Authority, and to carry out, on behalf of the Authority, the Authority's obligations thereunder.

2. The approval hereby given to the Lease Amendment and Relocation 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 Authority 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 Authority. The execution of any instrument by the appropriate officers of the Authority 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 the City Attorney, may act in their behalf.

3. Upon execution and delivery of the Lease Amendment and Relocation Documents, the officers and employees of the Authority are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of the Authority to implement the Lease Amendment and Relocation Documents.

4. The Board hereby determines that the execution and performance of the Lease Amendment and Relocation Documents will help realize the public purposes of the Economic Development Authority Act.

Date

President

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner and upon vote being taken thereon, the following voted in favor thereof:
and the following voted against the same:
whereupon said resolution was declared duly passed and adopted.

SIXTH AMENDMENT TO LEASE AGREEMENT

This Sixth Amendment to Lease Agreement (“Sixth Amendment”) is entered by and between the Economic Development Authority of Brooklyn Center (“Landlord” or “City”), and Sheng Zheng, individually, Wang Lin, individually, and Lin Inc., operating under the trade name Ocean Buffet (collectively, “Tenant”) and Alatus Brooklyn Center, a Minnesota limited liability corporation, its subsidiaries and assignees (collectively referred to as “Purchaser”) (collectively, the “Parties”).

RECITALS

- A. On March 10, 2011, Centro Saturn Holdings, SPE, LLC, a Delaware limited liability company, Landlord’s predecessor in interest, and Zheng Asian, Inc., a Minnesota corporation, Tenant’s predecessor in interest, entered into a Lease Agreement (“Lease”) whereby Tenant’s predecessor in interest leased, for a term of one hundred twenty (120) full calendar months beginning on the Commencement Date, from Landlord’s predecessor in interest that certain premises known as Store #5810 consisting of 8,100 rentable square feet located at 5810 Shingle Creek Parkway, Brooklyn Center, Minnesota 55430 (the “Premises”)
- B. In March 2016, Landlord and Tenant entered into an Amendment to Lease (the “First Amendment”).
- C. Landlord intends to sell certain property to Purchaser that includes, but is not limited to, the Premises (the “Property”) for the purpose of redeveloping the Property, including the demolition of the Premises.
- D. On January 22, 2021, the Parties entered into a Second Amendment to Lease Agreement and Relocation Assistance Agreement (“Second Amendment”), extending the Lease to December 31, 2021, and incorporating a number of provisions related to the potential redevelopment of the Property.
- E. Pursuant to the Second Amendment, Tenant was paid a one-time non-refundable Relocation Payment in the amount of \$40,000 (“Relocation Payment”).
- F. Pursuant to the Second Amendment, the termination of the Lease, the options to extend the same, and the payment of the Relocation Payment were contingent upon the closing of the sale of the Property to Purchaser by December 31, 2021.
- G. Pursuant to the Second Amendment, Tenant was given the right to exercise its five-year Option Term as defined in and under the terms of the Lease, by email notice up until December 31, 2021, with such notice becoming effective upon transmission of the email notice to Landlord notwithstanding any notice requirement to the contrary under the terms of the Lease.
- H. The closing of the Property did not occur by or prior to December 31, 2021.

- I. Tenant provided notice to the City by December 31, 2021, exercising its option on the Lease, with an understanding that the Parties were to execute a Third Amendment to Lease Agreement to extend the Lease and the right to exercise a five-year option as described herein (the “Third Amendment”).
- J. On January 18, 2022, the Parties entered into the Third Amendment, and, pursuant to the Third Amendment, the Parties extended the substantive provisions of the Second Amendment to August 31, 2022, replacing those substantive provisions of the Second Amendment.
- K. On July 27, 2022, the Parties entered into the Fourth Amendment, and, pursuant to the Fourth Amendment, the Parties extended the substantive provisions of the Third Amendment to November 30, 2022, replacing those substantive provisions of the Third Amendment.
- L. On September 27, 2022, Purchaser informed the City that it desires to extend the buy-out date of the Lease to February 28, 2023, and Tenant informed the City that it desires to maintain operations on the Premises as extended by this Agreement and according to the terms of the Lease. The Purchaser requested that a 30 day notice period be approved to allow for the lease to be terminated prior to February 28, 2023, in the event the sale of the property occurred prior to February 28, 2023.
- M. On _____, 2023, Purchaser informed the City that it desires to extend the buy-out date of the Lease to September 30, 2023, and Tenant informed the City that it desires to maintain operation on the Premises as extended by the Agreement and according to the terms of the lease. The Purchaser again requested that a 30 day notice period be approved to allow for the lease to be terminated prior to September 30, 2023, in the event the sale of the property occurred prior to September 30, 2023.
- N. The Parties desire to extend the substantive provisions of the Fifth Amendment, as modifying the Third Amendment, to September 30, 2023, as described herein, with such substantive provisions replacing those contained in the Second, Third, Fourth and Fifth Amendments.

AGREEMENT

- 1. Recitals. All recitals are incorporated by reference as terms of this Sixth Amendment.
- 2. Lease Termination and Early Termination Payment. The Lease, and the options to extend the same, shall terminate upon and merge into the closing of the sale of the Property, provided such sale and closing occurs on or before September 30, 2023. In exchange for the early termination of the lease and extinguishment of the options to extend the term, and contingent upon the closing of the Property to Purchaser on or before September 30, 2023, at closing Purchaser shall pay Tenant \$300,000 (“Early Termination Payment”). The Early Termination Payment is conditioned upon Tenant’s timely vacancy of the Premises, as

provided under the Lease.

In the event the closing of the sale of the Property does not occur by September 30, 2023, then the Lease and its amendments shall remain in full force and effect, including Tenant's options to extend the same, notwithstanding any provision to the contrary, in the Lease, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment or any other document. For the avoidance of doubt, until the closing of the Property on or before September 30, 2023, the Lease, and the Tenant's right to extend the same beyond September 30, 2023, shall remain in full force and effect and is and will be extended to September 30, 2023, notwithstanding any expiration of the Lease under its terms or the terms of any Amendment to the same, modified as described herein.

If the closing of the sale of the Property does not occur on or before September 30, 2023, Tenant shall have the right to notify Landlord, by email, of its exercise of the full five-year Option Term under the terms of the Lease up until September 30, 2023, notwithstanding any notice requirements to the contrary under the terms of the Lease, with such notice becoming effective upon transmission of email notice to Landlord. The five-year Option Term shall commence upon Tenant's sending of the notice described herein.

3. Rent. During the remaining term of this Lease, including the extension to September 30, 2023, under the terms of this Sixth Amendment, but excluding any exercised Option Term, and provided that Tenant continues to operate its business at the Premises, Tenant shall pay \$0.00 in Minimum Annual Rent under Section 4.01(a) of the Lease, but shall remain obligated to pay Additional Rent and Percentage Rent.

In the event that Tenant ceases operations of its business at the Premises during the remaining term of the Lease as herein extended to September 30, 2023, but excluding any exercised Option Term, then during the time in which Tenant is not operating, Tenant shall pay \$0.00 in Rent, as that term is defined in Article IV of the Lease, including but not limited to Minimum Annual Rent, Percentage Rent, and Additional Rent. Tenant shall notify Landlord in writing or via email at least 30 days in advance of ceasing operations on the Premises in order to allow adequate time for proper building closing and transfer of payment obligations.

4. Governing Law. This Sixth Amendment is governed and shall be interpreted by the laws of the State of Minnesota.
5. Counterparts; Electronic Signatures. This Sixth Amendment may be executed in one or more counterparts, each of which is deemed an original, and all of which together constitute one agreement. Electronic signatures may be used in lieu of original signatures.
6. Entire Agreement. This Sixth Amendment is the entire agreement of the Parties with respect to the extension of the substantive provisions contained in the Second Amendment, Third Amendment, Fourth Amendment and Fifth Amendment. The terms of this Sixth Amendment shall be binding on each of the party's assignees and subsidiaries, including but not limited to the payment obligations of Landlord and Purchaser.

Except as expressly provided in this Sixth Amendment, all other provisions of the Lease, First Amendment, Second Amendment, Third Amendment, Fourth Amendment and Fifth Amendment are not modified and remain in effect. The Parties recognize that the Relocation Fee was paid in accordance with the provision of the Second Amendment and no further relocation fee or fees are required.

7. Effectiveness. The submission of a draft or copy of this Sixth Amendment for review of signature is not an offer to enter into a legally binding agreement and may not be relied on for legal or equitable rights or obligations. The Parties shall be bound by the terms of this Sixth Amendment only upon its execution by the Parties.

By executing this Sixth Amendment, Purchaser is obtaining no rights or obligations under, nor does it become a party to the Lease or the First Amendment.

8. Assignment. This Sixth Amendment may not be assigned without the City's prior written consent.
9. Recording. The Parties agree that a Memorandum of Lease may be filed with the County Recorder or Registrar of Titles for the purposes of providing notice concerning the existence of this Agreement and lease for the Premises.

The Parties have executed this Sixth Amendment on the dates specified under their respective signatures.

[signature page follows]

[Signature Page to Sixth Amendment to Lease Agreement]

TENANT:

Sheng Zheng

_____, 2023

Wang Lin

_____, 2023

Lin Inc., A Minnesota corporation

By:

Its: _____

_____, 2023

LANDLORD/CITY:

Economic Development Authority of Brooklyn Center

By: Reggie Edwards

Its: Executive Director

_____, 2023

PURCHASER:

Alatus Brooklyn Center LLC

By:

Its: _____

_____, 2023

Council Regular Meeting

DATE: 2/13/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: N/A

BY: Todd Berg, Fire Chief/Emergency Manager

SUBJECT: Resolution Adopting the Fence Consortium Joint Powers Agreement

Requested Council Action:

- Staff recommends that the Council approve the resolution for the City of Brooklyn Center become a member of the joint powers consortium.

Background:

In the spring of 2021, a significant number of public agency professionals (with police, fire, public works, and emergency management backgrounds) joined together to form a Fence Working Group to explore the identified challenges and develop a collective path forward. Based on the experience with civil unrest in Minneapolis and Brooklyn Center, the critical role that anti-scale fencing can serve for de-escalation and establishing a space for lawful protests became apparent. That said, it was also found that obtaining anti-scale fencing is a significant challenge due to several factors, as well as being very expensive. To respond to this identified need, a Fence Working Group was established.

The Fence Working Group's efforts have led to the formation of a Fencing Consortium. The Fencing Consortium is made up of local government agencies (members) that will; jointly contract with a fencing vendor for the availability, storage, maintenance, and transportation of anti-scale fencing (including vehicle gates and pedestrian doors). The Consortium will have, at a minimum, enough fencing for the largest police department building in the Consortium. However, the Consortium has the flexibility to increase the amount of fencing, gates, and doors as additional local governments join the Consortium.

The Fencing Consortium intends to provide anti-scale fencing within hours, not days, around potentially impacted government building(s) in response to a critical incident. The goal of the anti-scale fencing is to de-escalate the potential tensions and try to reduce/eliminate the non-tangibles associated with civil unrest such as:

- 1) Provide physical separation between law enforcement and protestors
 - a. Promotes improved mental health environment for all (reduce PTSD)
 - b. Pre-plan and standardize perimeter layout
- 2) Reduce the need for crowd control measures to be used
 - a. Improved safety for all
 - b. Minimize potential impact on adjacent properties
 - c. Crowd control measures are seen as escalating
 - d. Another tool for law enforcement facilitating peaceful protests
- 3) Create a space for protesting
 - a. Not seen as officers vs. protestors, but protestors just protesting (including optics)

- b. Supports efforts to coordinate/communicate with specific protest groups and organizers ahead of time
- c. Improved distinction between legal protestors and “violent and destructive actors” (I)
- d. Officers in riot gear and with crowd control measures are more likely to be able to remain

out of sight of legal protestors

- 4) Reduce resource demands committed to one location
 - a. Local law enforcement agencies are too small to handle a large-scale civil disturbance
 - b. Potentially need fewer officers for security at the site
 - c. Free up more resources to continue to respond to calls for service in the impacted community
 - d. Takes into consideration that protests may be a protracted event

The purpose and structure of the Fence Consortium are to provide experienced leadership for fence deployment operations across multiple jurisdictions in a unified command structure and coordinate during the deployment of anti-scale fencing. This includes considering and planning for operational logistics and tactical planning associated with fence deployment. The Fence Consortium itself is a multi-agency, pre-planned, coordinated resource management system to continue efforts to minimize multiple local and state agencies from being over-extended.

Fence deployment team:

One of the biggest costs and factors for the deployment of any fence is the labor, equipment, and scheduling of staffing to set up the fence. Because of this, the Working Group determined that the best way to meet these challenges is to use the existing Statewide Public Works Mutual Aid Pact to provide the labor and equipment needed to deploy the fence. Just like police and fire use existing mutual aid agreements during civil unrest, public works would do the same. One key reason for this is that the JPA can leverage these other existing mutual aid agreements when it comes to labor considerations.

Each Consortium member would need to provide between 1 and 3 people who would be assigned to the Fence Deployment Team. This team would train 3 times a year (2 times in person) so that when the call to deploy the fence was made, everyone would be familiar with what needed to be done and it could be done as efficiently as possible. Each Consortium member would cover the costs, including if there was a deployment (likely overtime), of their staff on the Fence Deployment Team. Considerations will be made for really small public works departments (just a few members) or agencies with no public works staff.

State funding request:

The Fence Consortium has requested \$5 million from the State of Minnesota for the purchase of anti-scale fencing and associated vehicle gates and pedestrian doors. If obtained, the State funding for the purchase of anti-scale fencing for the Fencing Consortium will significantly reduce the ongoing cost each Consortium member will pay for the storage, maintenance, and transportation of the anti-scale fence. This cost reduction will improve equity in accessibility to this de-escalation and safety tool for communities across not only the Seven County Metro area but also the state as a whole.

Prerequisites:

Any agency participating in the Fence Consortium must be a member of the Statewide Public Works Mutual Aid Pact. Police and fire agency resources must be members of relevant mutual aid agreements.

Project cost:

Each member agency's cost is pro-rated based on the footage of fencing needed for their location. Brooklyn Center's maximum cost would be \$1,948 annually.

Budget Issues:

The annual cost is covered under the Emergency Management 2023 operating budget.

Inclusive Community Engagement:**Antiracist/Equity Policy Effect:****Strategic Priorities and Values:**

Safe, Secure, Stable Community

ATTACHMENTS:

Description	Upload Date	Type
Resolution	2/8/2023	Resolution Letter
Excerpt from 1/27/23 Weekly Update	2/9/2023	Backup Material

Member introduced the following resolution and moved its adoption:

RESOLUTION NO. _____

RESOLUTION ADOPTING THE FENCING CONSORTIUM JOINT POWERS AGREEMENT

WHEREAS, the governmental units in the state have experienced an increase in incidences of civil unrest with violent and destructive actors who pose a threat to the public, public personnel, buildings, and critical infrastructure; and

WHEREAS, the First Amendment of the United States Constitution protects the freedom of speech, the press, and the right of the people peaceably to assemble, and to petition the government for a redress of grievances; and

WHEREAS, recent experience has shown that the use of anti-scale fencing has greatly de-escalated tension between law enforcement and protesters; and

WHEREAS, by de-escalating the tension, the anti-scale fencing helps to reduce the trauma in the community, improve the safety for all, minimize the impact on neighboring properties, reduce the community resources that have to be committed to such events; and

WHEREAS, governmental units have recognized the need to have ready access to anti-scalable fencing as a tool for de-escalation and community safety while protecting against violent and destructive actors; and

WHEREAS, the best means for a governmental unit to access such fencing in a timely and cost-effective manner is to work cooperatively with other governmental units; and

WHEREAS, the Fencing Consortium Joint Powers Agreement (“Fencing JPA”), which is incorporated herein by reference, establishes a joint board to obtain and make available to members anti-scalable fencing in response to critical incidences, sets out the powers of the joint board, requires members to pay their share of the fencing costs and operational costs of the Fencing Consortium, requires members to provide staffing to assemble and disassemble the fencing as part of the Public Works Mutual Aid Pact, and otherwise provides for the operation of the Fencing Consortium as a joint powers entity; and

WHEREAS, the governmental unit is a member of the Public Works Mutual Aid Pact and is otherwise eligible to adopt the Fencing JPA; and

WHEREAS, it is in the best interests of the community to become a member and participate in the Fencing Consortium.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brooklyn Center, Minnesota:

RESOLUTION NO. _____

1. The Fencing JPA is hereby approved and adopted.
2. The City Manager is authorized and directed to make nominations and to cast votes on persons to be elected to the Fencing Consortium Board of Directors.
3. Staff is authorized and directed to do each of the following:
 - a. Submit a fully executed copy of this resolution as directed in the Fencing JPA to indicate membership in the Fencing Consortium;
 - b. Designate a primary and secondary point of contact for the Fencing Consortium for administrative purposes.
 - c. Coordinate with the other Fencing Consortium members and the Board on the selection of staff from the public works department to serve on the fencing deployment team; and
 - d. To take such other actions as may be needed to carry out the intent of this Resolution and as may be required under the terms of the Fencing JPA.

February 13, 2023

Date

Mayor

ATTEST: _____
City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by member

and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

EXCERPT FROM THE JANUARY 27, 2023 WEEKLY UPDATE

CITY COUNCIL MEETING ITEMS

Temporary Anti-Scale Fence questions and answers from the 1/23 Council meeting:

1. The consortium lobbyist shared that there are not any numbers associated with this legislation yet and the fiscal year wouldn't start until July 1, 2023. I'll reach out to Representative Yang and Senator Pha asking for their support. This legislation is also included in our Legislative priorities recommended for Council support in an upcoming Council meeting.
2. Fence costs. The previously presented numbers I reported were based on an old draft having 1,250' (all 4 sides of the PD) of the fence. The updated cost has only 400' (just the front side) of the fence and the new monthly cost for deployment (if needed) would be \$7,200. The difference in length of fencing was adjusted to cover the front side of the Police Station like before but moving the fence was to the sidewalk instead of blocking a lane of southbound Humboldt. In 2021, we paid \$180,000 for the fence rental for approx. 12 months, under the JPA the cost would be \$86,400 for 12 months. Also, with our lower fence footage our annual cost to the consortium would be less than \$6,000. Approximately, \$6,000 was included in the 2023 budget for Emergency Management.
3. The determination of who gets the fence if multiple agencies need the fence? It would be first come first served with the consortium ordering additional fence from the vendor which would be 4-7 days before arrival. Most agencies besides ours have the fence going around all 4 sides. If fence inventory was running low they would only allow partial fencing so that most agencies would at least have some immediate fence. Example: just for the front side of the PD like we had and not all 4 sides immediately.

Council Regular Meeting

DATE: 2/13/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: Elizabeth Heyman, Director of Public Works

BY: Ahmed Omar, P.E., City Engineer

SUBJECT: Resolution Approving Change Order Nos. 17-18 Improvement Project No. 2021-05, Brooklyn Boulevard Corridor Project Phase 2 Improvements

Requested Council Action:

- Motion to approve the attached resolution authorizing Change Order Nos. 17-18 in the amount of \$25,848.74 for Improvement Project No. 2021-05, Brooklyn Boulevard Corridor Project Phase 2 Improvements.

Background:

On May 10, 2021, the City Council awarded a Contract to Park Construction Company of Minneapolis, Minnesota for the above referenced improvement. The attached Change Order Nos. 17-18 were necessary during construction of the street and utility improvements for the Brooklyn Boulevard Corridor Project Phase 2 Improvements.

- Change Order 17 in the amount of \$22,458.78 is for repairing existing private irrigation systems impacted by construction.
- Change Order 18 in the amount of \$3,389.96 is for a third lane closure for the middle of 65th and Brooklyn Blvd. where the east and westside closures didn't sufficiently overlap.

Budget Issues:

The original contract amount was \$12,222,880.30. Change Orders 1-7, approved by the City Council on October 4, 2021, increased the contract amount to \$12,270,997.51. Change Orders 8-12, approved by the City Council on May 23, 2022, increased the contract amount to \$12,285,008.72. Change Orders 13-16, approved by the City Council on September 26, 2022, which increased the contract amount to \$12,443,928.10.

The attached resolution authorizes Change Order Nos. 17-18 for the project. The total amount of Change Order Nos. 17-18 is \$25,848.74 which increases the contract amount to \$12,469,776.84.

The total value of Change Order Nos. 1-18 is \$246,896.54 which represents an increase of 2.02 percent to the original contract amount. This falls within the approved budgeted construction costs of \$13,445,168.30 which included a contingency amount of \$1,222,288.00 that was included in the project budget for items of this nature.

Inclusive Community Engagement:

NA

Antiracist/Equity Policy Effect:

NA

Strategic Priorities and Values:

Key Transportation Investments

ATTACHMENTS:

Description

Upload Date

Type

Resolution

2/6/2023

Resolution Letter

Member introduced the following resolution and moved its adoption:

RESOLUTION NO. _____

RESOLUTION APPROVING CHANGE ORDER NOS. 17-18 IMPROVEMENT PROJECT NO. 2021-05, BROOKLYN BOULEVARD CORRIDOR PROJECT PHASE 2 IMPROVEMENTS

WHEREAS, pursuant to a written contract signed with the City of Brooklyn Center, Minnesota, Park Construction Company of Minneapolis, Minnesota, was instructed to complete additional work as itemized on Change Order Nos. 17-18 for Improvement Project No. 2021-05, Brooklyn Boulevard Corridor Project Phase 2 Improvements; and

WHEREAS, Change Order 17 in the amount of \$22,458.78 is for repairing existing private irrigation systems impacted by construction.

WHEREAS, Change Order 18 in the amount of \$3,389.96 is for a third lane closure for the middle of 65th and Brooklyn Blvd. where the east and westside closures didn't sufficiently overlap.

WHEREAS, said additional work was not included in the original contract, but was deemed necessary to properly complete the improvements.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brooklyn Center, Minnesota, that Change Order Nos. 17 through 18 in the amount of \$25,848.74 for Improvement No. 2021-05 is hereby approved. The revised contract amount is as follows:

Original Contract Amount	\$12,222,880.30
Change Order Nos. 1-7	\$ 48,117.21
Change Order Nos. 8-12	\$ 14,011.21
Change Order Nos. 13-16	\$ 158,919.38
Change Order Nos. 17-18	\$ 25,848.74
Revised Contract Amount	\$12,469,776.84

Date

Mayor

ATTEST: _____
City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by member and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

RESOLUTION NO. _____

whereupon said resolution was declared duly passed and adopted.

Council Regular Meeting

DATE: 2/13/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: Jesse Anderson, Interim Community Development Director

BY: Olivia Boerschinger, Associate Planner

SUBJECT: Resolution Authorizing and Supporting an Application for Hennepin County Transit-Oriented Development Funds Grant Application - Opportunity Site

Requested Council Action:

- motion to authorize and support an application for Hennepin County Transit-Oriented Development Funds

Background:

This year, Hennepin County has \$2.2 million available for Transit-Oriented Development (TOD) and TOD Predevelopment projects. Since 2003, Hennepin County has awarded more than \$47 million to 165 projects along key Hennepin County light rail transit corridors and other high frequency and express bus routes. These investments have created or retained more than 13,000 housing units, 3,300 jobs, and more than 2.5 million square feet of commercial space across the county. Projects also created and improved pedestrian and bicycle access to public transit.

The County's TOD program aims to create walkable, mixed-use, human-centered communities around high-quality transit service. TOD projects have specific design features to enhance the public realm, reduce parking, support pedestrian and bicycle connections, increase density, and preserve open space.

In 2019, the City received \$595,000 for the Opportunity Site (Phase 1) project through this program, with the funds granted to support the development of public infrastructure on the site. Alatus will be seeking additional funds this year to continue to support the Opportunity Phase 1 development. Eligible uses include clearing and preparation of property for site improvements and infrastructure, public realm improvements, public amenities on private property, public plazas, and public infrastructure improvements (such as streets, sidewalks, lighting, landscaping, ect). Alatus intends to apply requesting funds no later than March 9th, 2023.

Budget Issues:

- none

Inclusive Community Engagement:

- none

Antiracist/Equity Policy Effect:

- none

Strategic Priorities and Values:

Targeted Redevelopment

ATTACHMENTS:

Description	Upload Date	Type
RESOLUTION AUTHORIZING AND SUPPORTING AN APPLICATION FOR HENNEPIN COUNTY TRANSIT-ORIENTED DEVELOPMENT FUNDS	2/7/2023	Resolution Letter

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 2023- ____

RESOLUTION AUTHORIZING AND SUPPORTING AN APPLICATION FOR
HENNEPIN COUNTY TRANSIT-ORIENTED DEVELOPMENT FUNDS

WHEREAS, the City of Brooklyn Center is eligible to apply for Transit-Oriented Development grants offered by Hennepin County 1 for 2023, and has identified the Opportunity Site as a significant redevelopment project that meets the purpose and criteria of the Transit-Oriented Development grant program; and

WHEREAS, the City of Brooklyn Center will be making major investments in the area and around the site, including the construction of new public infrastructure; and

WHEREAS, public infrastructure costs are an eligible expense and meets the grant program guidelines as established by Hennepin County; and

WHEREAS, the City certifies that it will comply with all applicable laws and regulations as stated in the grant agreement; and

WHEREAS, the proposed project and grant application is consistent with and advances the Strategic Priorities established by the City Council.

NOW, THEREFORE, BE IT RESOLVED that, after appropriate examination and due consideration, the governing body of the City:

1. Finds that it is in the best interests of the City's development goals and priorities for the following proposed Transit-Oriented Development project: Brooklyn Center Opportunity Site Phase 1
2. Authorizes the Community Development Department staff to submit on behalf of the City an application for Transit-Oriented Development grant funds for the Opportunity Site Phase 1 project components identified in the application, and to execute such agreements as may be necessary to implement the grant on behalf of the City.

February 13, 2023

Date

Mayor

ATTEST: _____
City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner
and upon vote being taken thereon, the following voted in favor thereof:
and the following voted against the same:
whereupon said resolution was declared duly passed and adopted.

Council Regular Meeting

DATE: 2/13/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: N/A

BY: Dr. Reggie Edwards, City Manager

SUBJECT: Metro Cities

Requested Council Action:

- motion to accept the presentation from Metro Cities

Background:

Budget Issues:

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

Operational Excellence

Council Regular Meeting

DATE: 2/13/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: N/A

BY: Jesse Anderson, Interim Community Development Director

SUBJECT: Housing Technical Assistance Panel Report - ULI

Requested Council Action:

- Motion to accept the presentation

Background:

Background

In March 2020, staff presented a housing policy work plan for comprehensively addressing the City's housing policy needs. At that meeting the Council discussed a number of policy approaches and a timeline for addressing these items. Council then directed staff to move forward on a number of action items related to housing.

Over the two years progress has been made on the work plan; however, there were delays related to the pandemic, civil unrest, and staff capacity.

Fair Housing Policy

A Fair Housing Policy was drafted by staff and the City Attorney, reviewed by the Housing Commission, and adopted by the City Council in the spring of 2021.

NOAH Preservation Program

Staff drafted a NOAH Preservation program and presented it to the City Council in November 2020. The Council's direction at that time was to wait until the city-wide housing study was completed before taking action on starting a NOAH Preservation program. Staff will bring back further discussion items relating to the NOAH Preservation.

Tenant Protections

An initial Tenant Protection Ordinance was adopted by the City Council in January 2022, and has since gone into effect.

Housing Study and Impact Assessment

In November 2020, the City engaged the University of Minnesota's Center for Urban and Regional Affairs (CURA) and Dr. Brittany Lewis to conduct a city-wide housing study and assessment. The Housing Report from CURA was presented to the City Council in 2022.

Technical Advisory Panel – ULI

The City of Brooklyn Center requested the ULI technical assistance panel (TAP) to answer questions about

balancing future development with the needs of existing residents to ensure housing affordability is sustainable and opportunities for building wealth are generated while displacement is avoided. The TAP process included pre-panel preparation and study of the local context and issues by the panel members, followed by two and a half days convening in person to tour the area, conduct interviews, and engage in dialogue and analysis of the questions to be answered. Each panel member brought discrete expertise to the process that was then synthesized into this report. The report findings and recommendation were completed in October of 2022 and are now being presented to the City Council.

Budget Issues:

There are no budget issues to consider at this time.

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

Resident Economic Stability

ATTACHMENTS:

Description	Upload Date	Type
Presentation	2/6/2023	Presentation
ULI Technical Assistance Panel Report	2/2/2023	Executive Summary
CURA Housing Study	6/9/2022	Backup Material



Minnesota



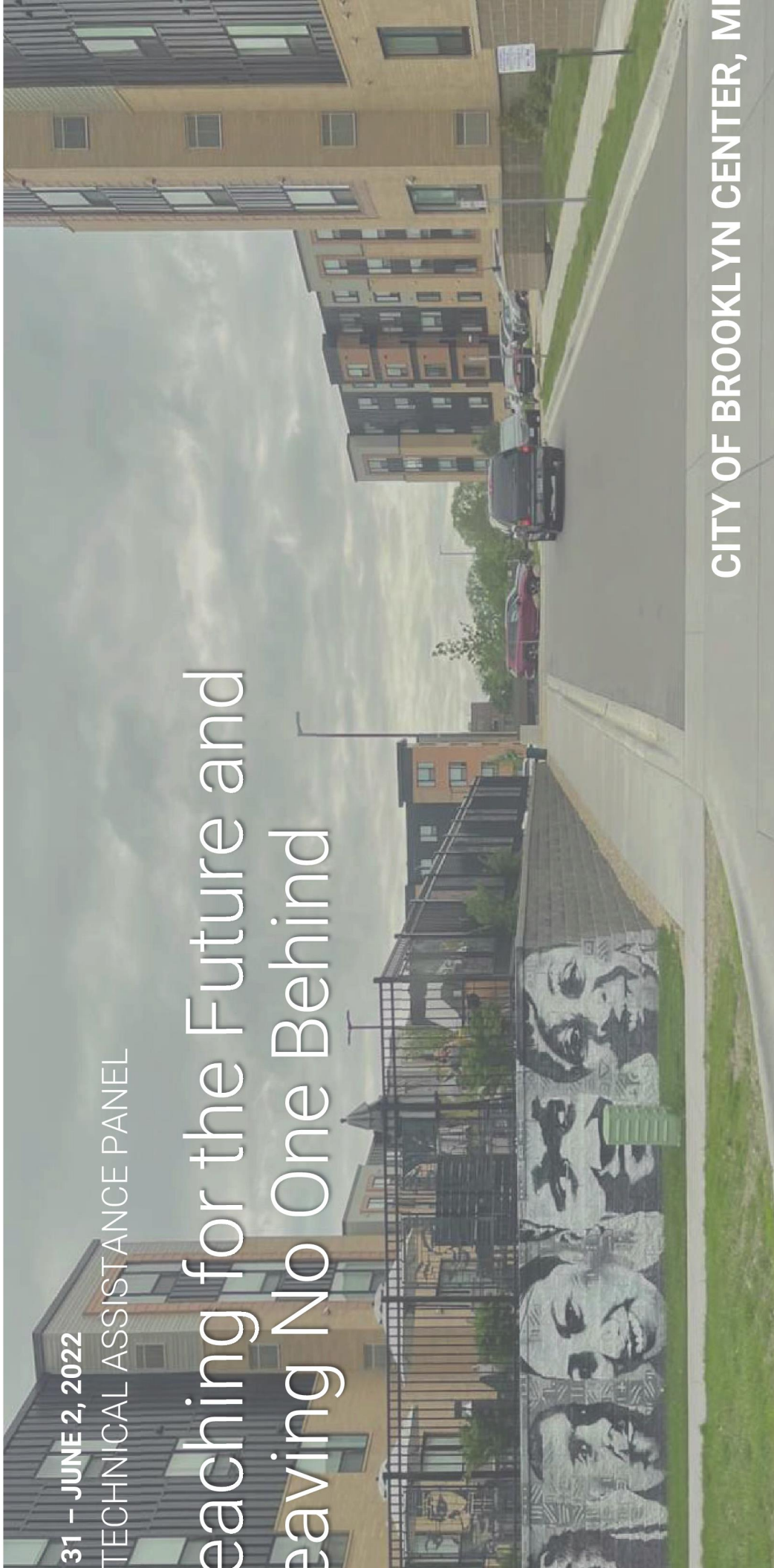
Urban Land
Institute

Terwilliger Center for Housing

31 - JUNE 2, 2022

TECHNICAL ASSISTANCE PANEL

Teaching for the Future and Leaving No One Behind



CITY OF BROOKLYN CENTER, MI



THE MISSION OF THE URBAN LAND INSTITUTE

Shape the future of the built environment for transformative impact in communities worldwide

MISSION COMMITMENTS

CONNECT active, passionate, diverse members through the foremost global network of interdisciplinary professionals

INSPIRE best practices for equitable and sustainable land use through content, education, convening, mentoring, and knowledge sharing

LEAD in solving community and real estate challenges through applied collective global experience and philanthropic engagement

1936

FOUNDED BY
15 MEMBERS



90+

LOCAL
OFFICES



45,000+

MEMBERS
WORLDWIDE



2,000+

ANNUAL LOCAL AND
GLOBAL EVENTS



80+

COUNTRIES
REPRESENTED

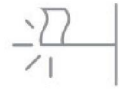


10,000

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RESOURCES

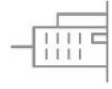
About the Urban Land Institute

FACTS & FIGURES



1936

FOUNDED BY
ITS MEMBERS



90+

LOCAL
OFFICES



45,000+

MEMBERS
WORLDWIDE



2,000+

ANNUAL LOCAL AND
GLOBAL EVENTS



80+

COUNTRIES
REPRESENTED



10,000+

CONTENT
RESOURCES

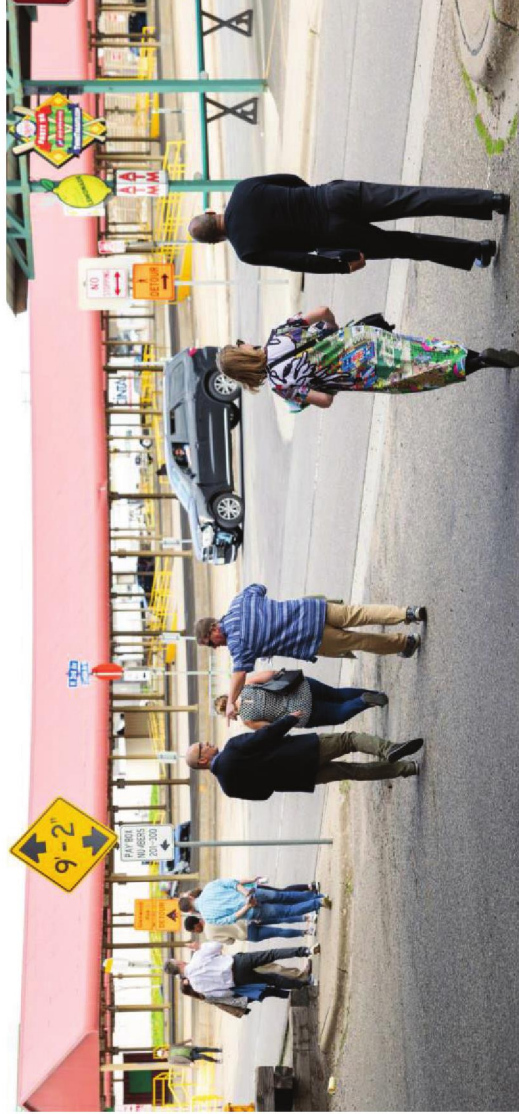
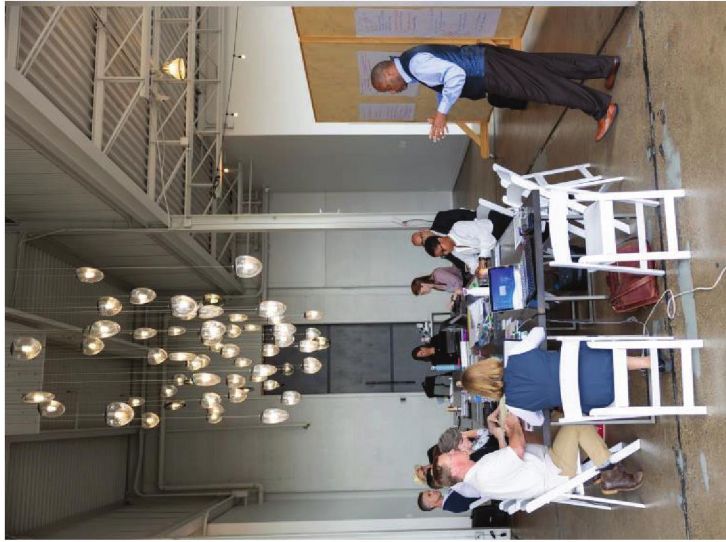


THE
NUMBERS
SINCE 2008

20 TAPS

98 NCF
WORKSHOPS

3,836 HOURS
FROM ULI MN
VOLUNTEERS



ABOUT THE TERWILLIGER CENTER

The goal of the Terwilliger Center for Housing is to advance best practices in residential development and public policy, and to support ULI members and local communities in creating and sustaining a full spectrum of housing opportunities, particularly for low- and moderate-income households.



ULI Panelists and Staff

ected for their subject matter expertise to provide **objective, volunteer** recommendations

onal and Local Panelists

Murphy

s Senior Resident Fellow
hington, DC

ton Brown

ct Invest Development, LLC
York, NY

Anthony

afer Richardson
neapolis, MN

Warren Hanson

Greater Minnesota Housing Fund
Saint Paul, MN

Margaret Kaplan

Housing Justice Center
Saint Paul, MN

Anne Ketz

Urban Homeworks
Minneapolis, MN

ULI Staff

Stephanie Brown

Executive Director, ULI Minnesota

Cathy Bennett

Advisory Services, ULI Minnesota

Colette Baumgardner

Report Writer

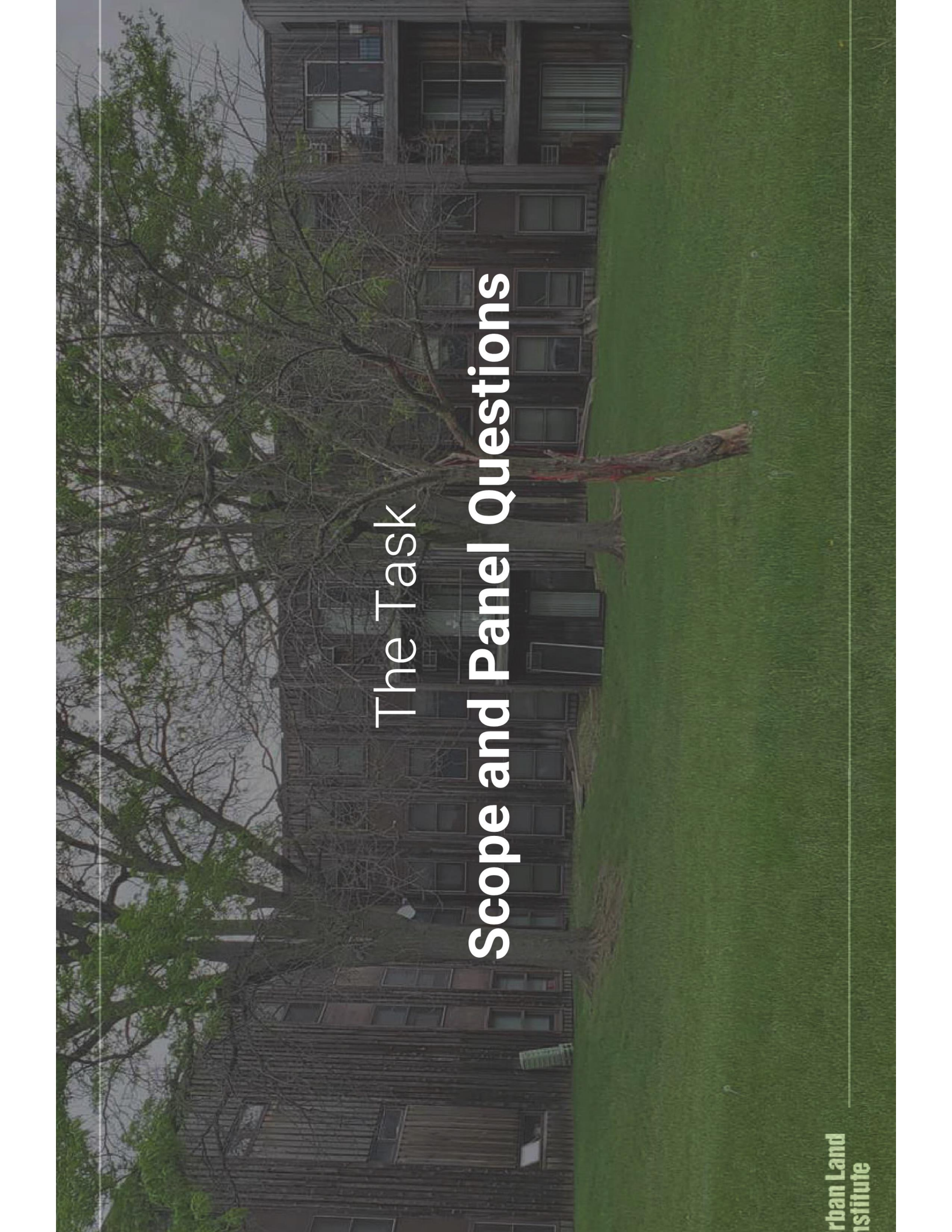
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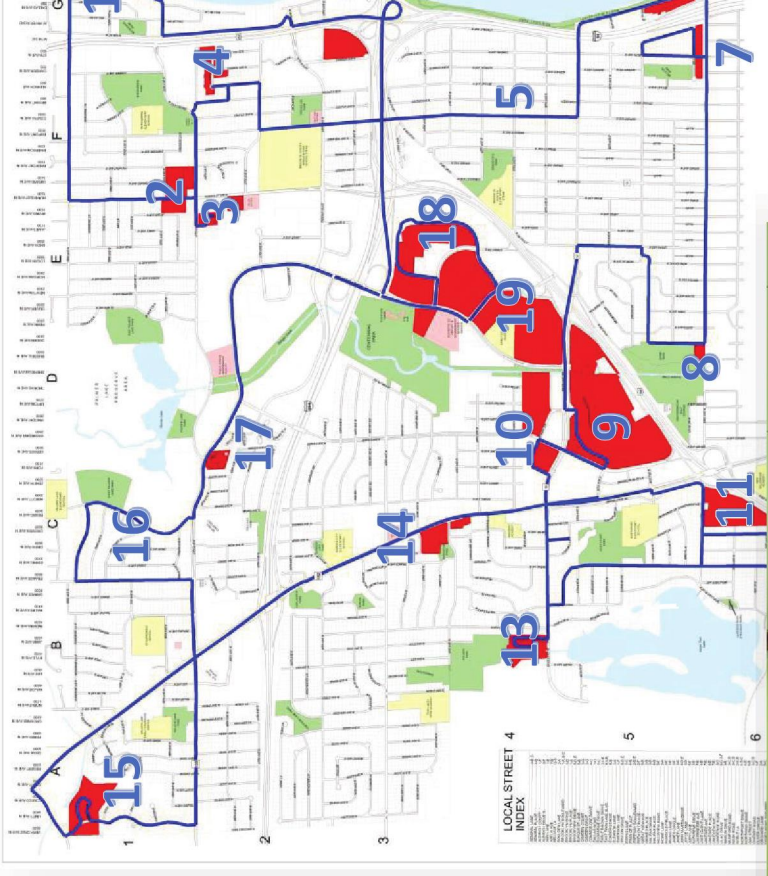
The Task Scope and Panel Questions

Panel Process

Day Intensive

- National and local experts
- City tour of neighborhoods and projects
- Briefing by city staff
- Review and discussion of housing study and other briefing materials
- Stakeholder interviews – cross sectional
- Deliberations
- Presentation and discussion of recommendations
- Final written report

Minnesota



Context

City of Brooklyn Center **housing supply is highly homogenous** with the predominant housing style being a single story 1960s bungalow.

- 37% of the City's housing stock is rental with the vast majority of the multifamily units constructed in the 1960s and early 1970s (primarily 1 and 2-bedroom units)
- 87% of the City's housing is considered naturally occurring affordable housing, with median rents affordable to those making 60% AMI (area median income, ~\$70k/year for a family of four)

Affordable housing supply has contributed to **shifting demographics**.

- 57% people of color, the most diverse community in the Twin Cities region
- Two decades of consistent disinvestment
- Large tracts of underdeveloped and vacant land in its central commercial district
- Development pressures increase the community is at risk of gentrification and displacement of its residents

City is currently undergoing a **master planning effort for an 80-acre area** of largely vacant commercial property. The vision is to create 2,000 new housing units in a mix of affordability's, while increasing the diversity of the City's housing supply and introducing new amenities, businesses and services to residents.

City undertook a **city-wide housing study** with the Center for Urban and Regional Affairs (CURA) to understand the housing market, the gaps, and identify pathways to encourage investment while mitigating the harms of gentrification and displacement.

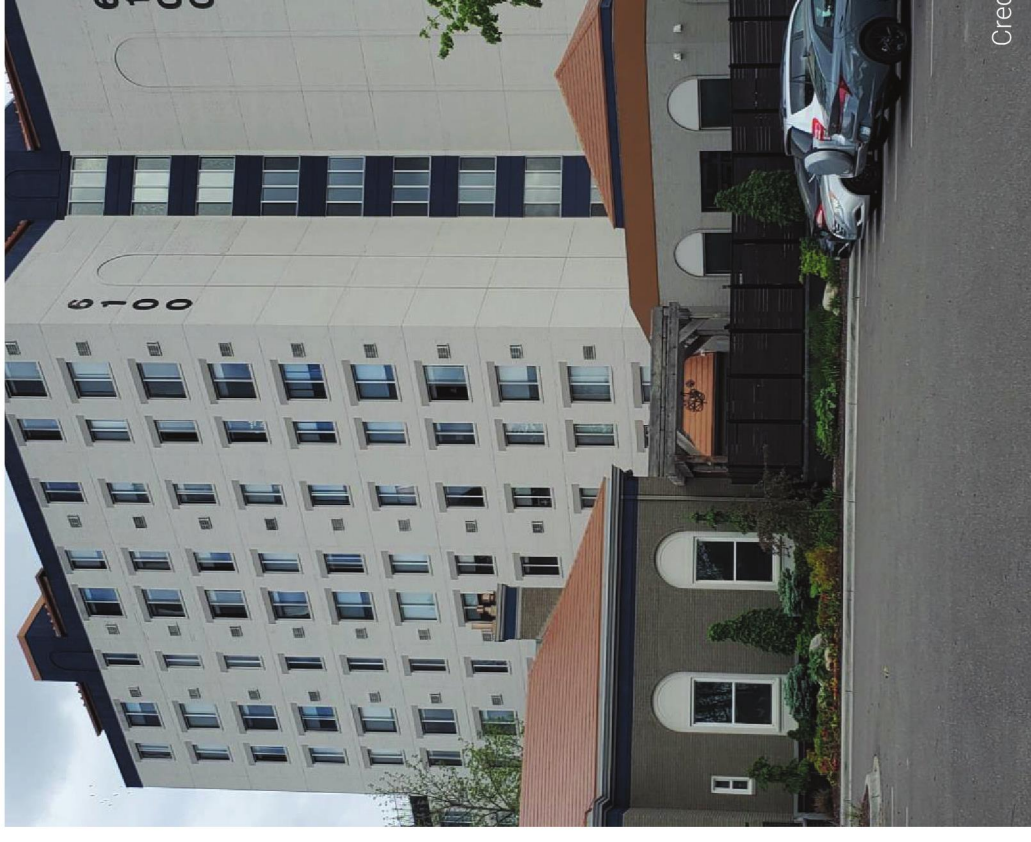
Panel Questions

What are the **principles, policies and strategies** Brooklyn Center should consider to support a balanced supply of housing that provides housing opportunities to build wealth and ensure long-term resiliency for the community?

What are **key strategies to preserve the affordability** of this housing stock while supporting new investment to maintain the quality and safety of the units? What are the **best practices in prioritizing resources** for affordable housing relative to new affordable units or NOAH preservation?

What are the **methods for tracking risk factors and policies** for mitigating displacement due to gentrification?

Based upon the recommendation from questions 1-3, what are the **immediate and long-term policy, program and strategic implementation steps** and where should the city **focus their limited financial resources** to have the most impact for long term success?



Panel Observations

- Housing stock in generally good condition
- Significant amount of publicly controlled land
- Ample, high-quality park space
- Good financial position overall, but with a more limited tax base (focus on residential property taxes)
- Decent transportation access
- Forward-thinking leadership
- Leadership focus on housing affordability
- People want to live here
- Family-oriented, culturally diverse
- Engaged community members, participatory planning processes
- Challenges may be more in perception than in intrinsics of the City – real areas of opportunity



Overarching Principles for the TAP Findings

Enact a strong housing and economic vision for the city that provides clear direction for the future.

- Leadership needs to be bold and willing to take risks; adding staff capacity will be critically important.
- Policies and programs need to be aspirational while also being practical, achievable, and enforceable.

Develop community trust with intentional inclusion and deepened participatory planning.

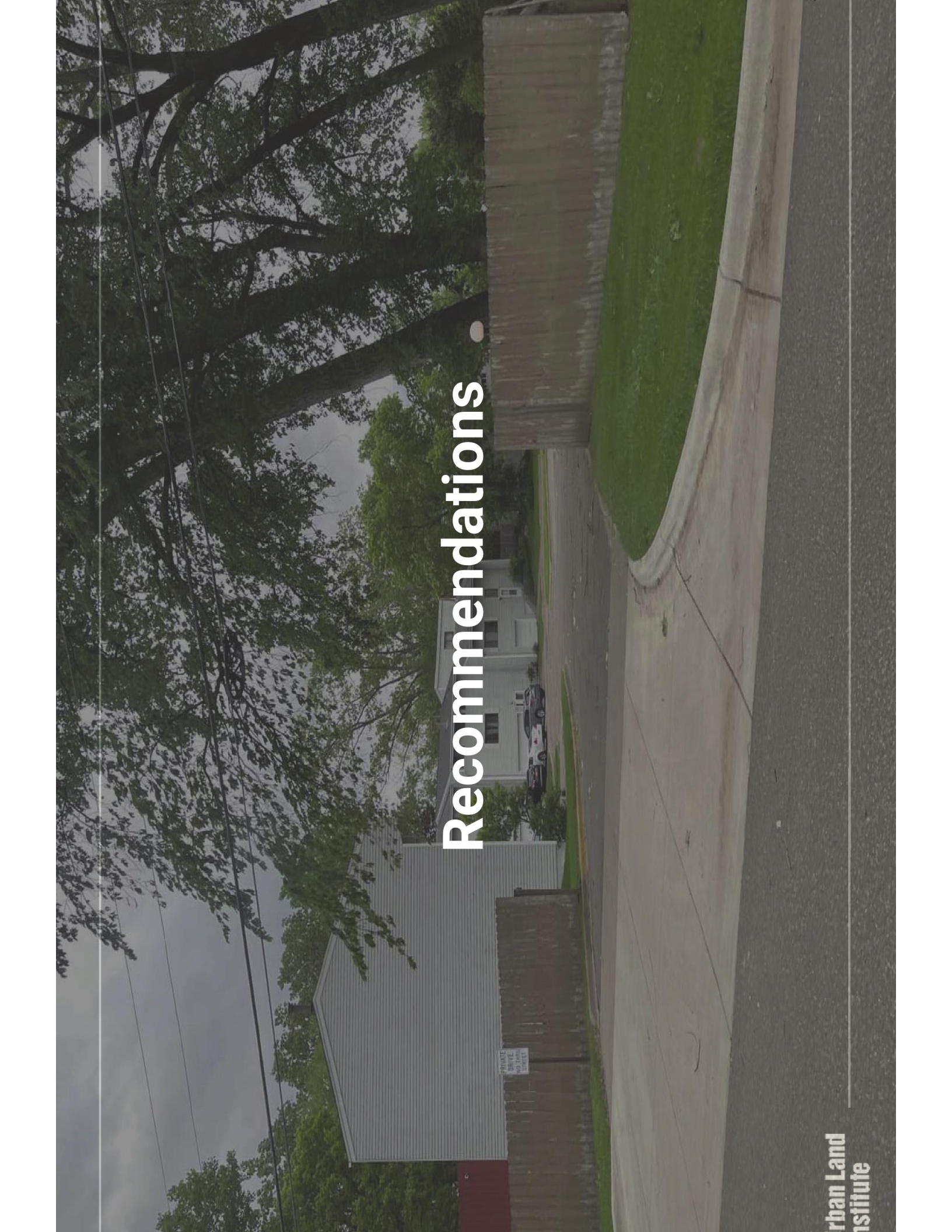
Manage community expectations for any new program or policy by establishing goals and metrics to gauge success.

Prioritize transparent communication with residents by improving access to information.

Consider the connection among housing, jobs, and transportation. Plan for a mixed-use, mixed-income, high-density city center as is the current direction of the Opportunity Site, and focus density around transit-oriented sites.

Explore partnerships. The city cannot implement these recommendations on its own, and partnerships with the public, nonprofits, and the private sector will be imperative.

Embrace high design values that contribute to creative placemaking.



Recommendations

Recommendations

four categories

1

Increase
benefits for
existing
residents

2

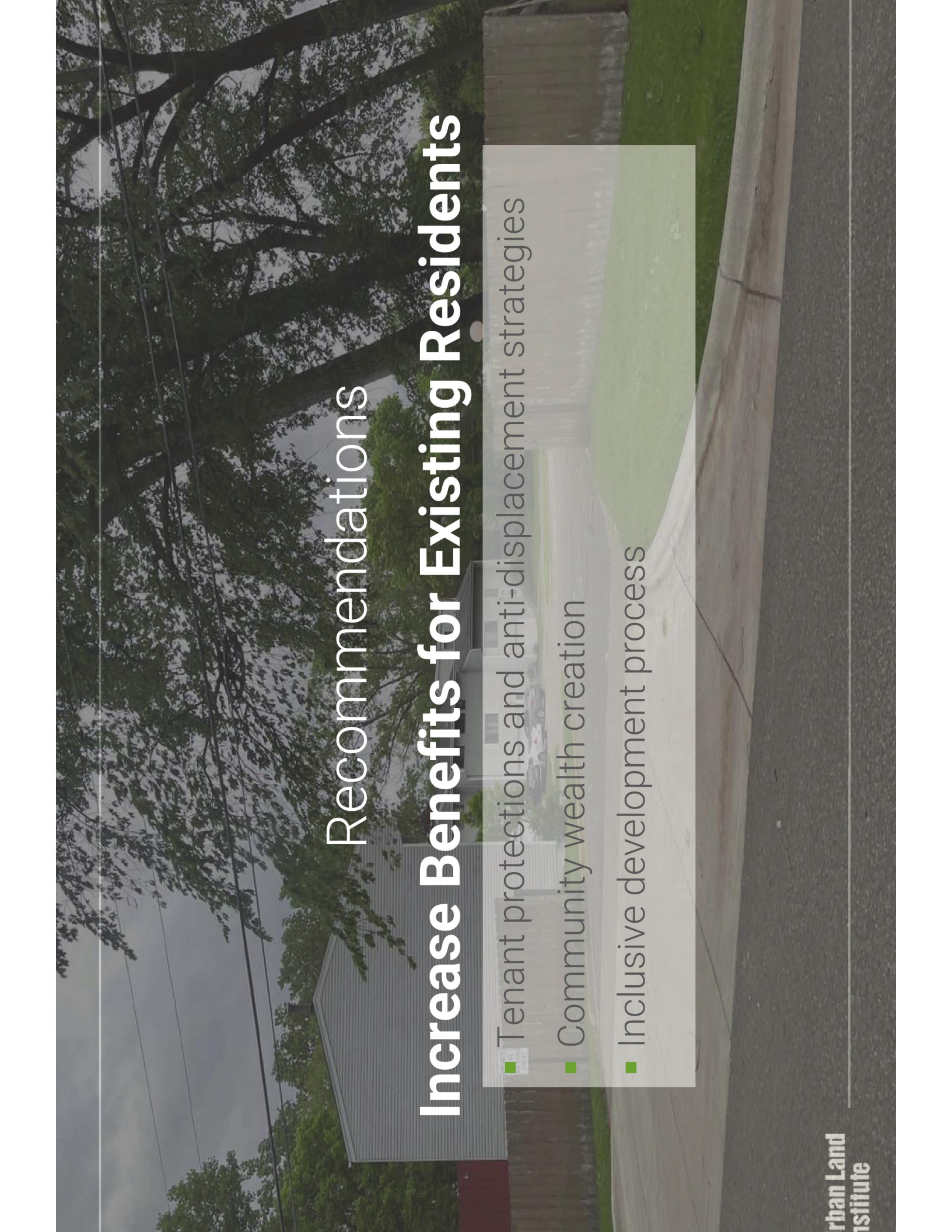
Protect
naturally
occurring
affordable
housing

3

Facilitate
new
develop-
ment

4

Expand
home-
ownership

The background of the slide is a photograph of a residential street. On the left, there are large, leafy trees. In the center, a house with a grey metal roof is visible. The street is paved and has a concrete curb on the right side. The overall scene is somewhat overcast.

Recommendations

Increase Benefits for Existing Residents

- Tenant protections and anti-displacement strategies
- Community wealth creation
- Inclusive development process

NEFITS FOR EXISTING RESIDENTS

enant Protections and Anti-Displacement Strategies

ublic policy options to protect residents

- Eliminate source of income discrimination (e.g., limits on public assistance to pay rent)
- Regulate tenant screening criteria
- Increase eviction protections/navigation support
- Evaluate benefits of a Tenant Opportunity to Purchase Act (TOPA)
- Limit month to month leases

ublic investment opportunities to expand access to affordable housing options

- Expand rental assistance programs (in partnership with county, state and federal resources)
- Evaluate inclusionary zoning policy (flexible to meet specific community needs)
- Reinvest portion TIF funds from opportunity site to support the needs of renters within a quarter mile

ousing dignity and quality

- Follow CURA recommendations, including code enforcement and incentives

ENEFITS FOR EXISTING RESIDENTS

mmunity Wealth Creation

vest in local wealth building programs

- Identify space for a community information and education hub
- Create stronger partnership for financial literacy training
- Create business incubators to enhance local small business support in the Opportunity Site
- Evaluate benefits of supporting cooperative ownership models

explore preference policies and target resources to historically under-resource communities

upport and expand partnerships

- Identify City ombudsman to work with banks – increase and grow existing efforts
- Identify equitable banking policies/holding banks accountable for CRA commitments
- Facilitate community land trusts – scattered site or part of opportunity site
- Research value of community REITs
- Partner with developers
 - Create opportunities for duplex/townhome owner-occupied small-scale development
 - Be part of community investment in the development

clusive Development Process

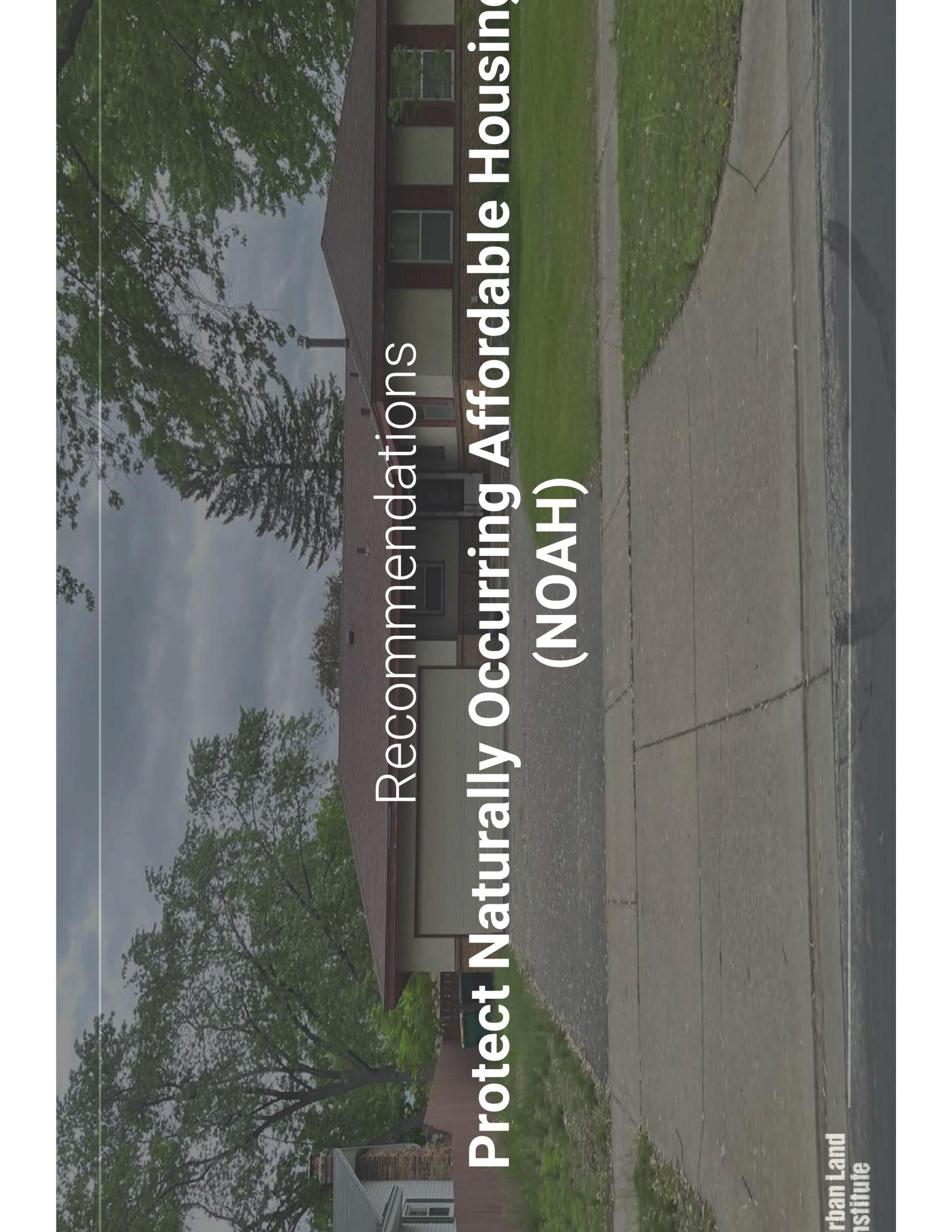
nsure **focused and deliberate investment** of benefits from the opportunity site for communities that are at risk of displacement or have experienced disinvestment

valuate merits of **Community Benefit Agreements** or include benefits within Development agreements

adopt **equitable contracting and hiring goals** – partner with job training programs

determine land disposition policies in advance – public land for public benefit but not too prescriptive to meet a range of needs – clear enough so that people have reasonable expectations of the outcomes – people should know the answer before they spend the money

be deliberate in **encourage the formation of neighborhood groups** representative of the diversity of Brooklyn Center



Recommendations

Protect Naturally Occurring Affordable Housing (NOAH)

PROTECT NOAH

Observations on current context

Brooklyn Center is rich in existing NOAH housing, of
types
rental and single family

significant risk in not addressing NOAH
deteriorating property value
impact of lowest incomes residents
impact to surrounding neighborhood

is **more efficient than newer construction**
cost ½ as much and twice as fast

Minnesota



Best Practices for Preserving NOAH

- Commit more resources to rehab
- Find an effective way to stabilize rents
- Prioritize speed to intervention
- Deploy low cost/free capital
- Commit to existing owner partnerships or preservation buyer
- Ensure high-quality management

Recommendations

Multi-family:

Work with existing owners/preservation buyers

- Work with existing owners – avoid acquisitions costs, only rehab costs
- Partnership with non-profit – permanent affordability

Protect NOAH renters and value of city housing stock

- Continue strong code enforcement
- 1. If not successful, consider Tenant Remedies Act

Know your NOAH inventory and owners

- Be attuned to industry intel
- 1. Use inspection department to help determine properties at risk
- 2. Have dialogue with existing owners - encourage off market transaction prior to bidding wars

Create financing incentives – essential to secure participation

- Rental rehab deferred loan program - compliance light with affordability
- Create clear eligibility criteria
- Require acceptance of Housing Choice Vouchers
- Utilizing 4D when appropriate

Single Family:

1. Incentivize housing quality upgrades
2. Increase owner-occupied funds
3. Facilitate and support first time/first generation own opportunities
4. Apply for MN Housing Imp Funds to support purchase/rehab



Create a Housing Trust Fund

- Use Pooled TIF - Dedicate a percentage to a Housing Trust Fund
- New TIF - Dedicate a percentage to a Housing Trust Fund
- Dedicate a percentage of the HRA Levy to a Housing Trust Fund

Prioritize ARPA 2023 installment for preservation of existing housing stock

OAH Impact Fund

- Locally resource a NOAH Impact Fund to invest in and preserve affordable housing

Support Governor/House proposal – \$1.5 Billion for Housing

seek foundation and philanthropy grant funds

Recommendations

Facilitate New Development

NEW DEVELOPMENT

Create Clear Goals

Create a resilient and inclusive
Brooklyn Center
increase housing supply and
diversity of housing options
Decrease racial disparity in
ownership
increase tax base / economic
development

Minnesota



Clarify the Development Process and Make it Inclusive

Formalize citizens advisory council for Opportunity Site and other city-owned sites

- Use this structure to enhance participatory planning process while creating "one voice"

Create clear guidelines for good inclusive development to guide development to meet community goals

- Establish equitable development scorecard/community-based framework
 - Enable 'first pitch' from developer to be closer and outcomes more predictable (de-risks new development)
- Consider establishing design/sustainability standards for high-quality architecture
 - Incorporate into PUD process by asking developers to answer design principal questions
 - Formal design standards for exterior materials, glazing, etc.
- Reduce hurdles to good development – council consensus needed on long-term goals

Create land disposition policy for city-owned land

- Outlines Principles for development type that can be applied consistently
- Establishes city priorities for redevelopment that are site specific
- Creates opportunity to apply affordability expectations and deed restrictions, where desired

Increase planning/housing staff capacity to implement a robust process

Increase Housing Supply and Diversity of Options

Identify city-owned sites to target for small scale rental development

- Match emerging BIPOC developers with experienced developers
- Host emerging developer educational seminars (replicate or partner with City of Minneapolis program)
- Partner with ULI on their Real Estate Diversity Initiative (REDI) - use Opportunity Site as a case study
- Work with LIISC and GMHF on the Developers of Color Capacity Building Program

Support increased density to add more housing units in the Opportunity Site

- Leverage this opportunity as a catalyst for future development, but does not have to be everything

Identify and target alternative rental housing models

- Cooperative housing, senior housing (continuum of housing), multi-generational format housing, missing middle housing

Increase the Tax Base

Create financing tools for development

- Utilize tax-increment financing to incentivize private development (affordable and market rate)
- Maximize public benefit through use of TIF – may include utilizing portion of TIF for AHTF
- Utilize TIF pooling that pairs affordable and market rate multi-family development

Establish Affordable Housing Trust Fund to increase affordability within development proposals

- Leverage public, private, and philanthropic sources to build and grow fund
- Work with developers on 9% and 4% tax-credit applications

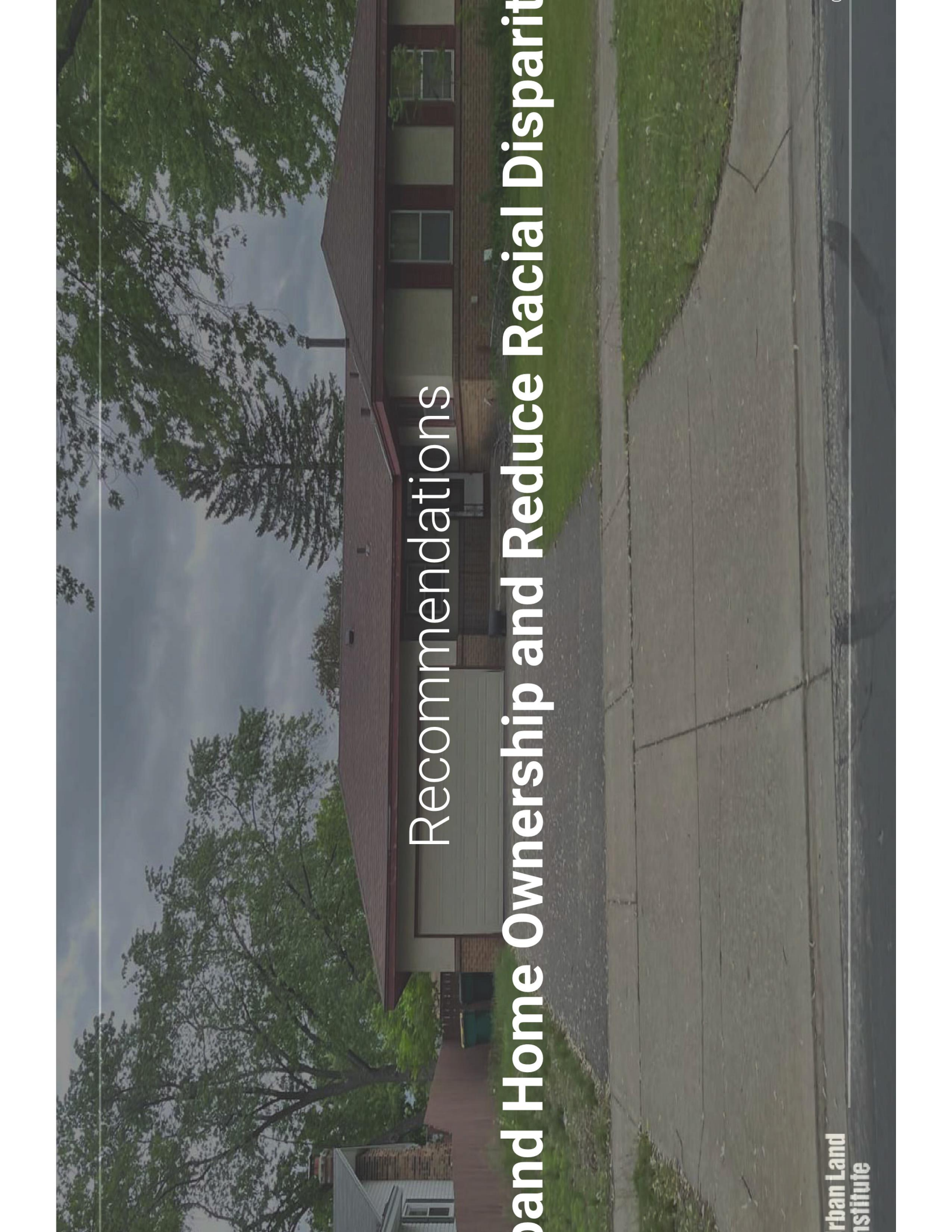
THE MECHANICS OF A HOUSING TRUST FUND

Create a funding stream for the fund:

- Dedicate a portion of Housing and Redevelopment Authority levy to the HTF.
- Dedicate a percentage of the pooled TIF.
- Dedicate a percentage of the new TIF.
- Leverage partnerships with public, private, and philanthropic organizations.

Prioritize spending of the trust fund for:

- Existing residents directly impacted by any development;
- Homeownership renovation funds; and
- NOAH preservation and renovation, to ensure the quality and stability of housing for those with the lowest incomes.



Recommendations

to Expand Home Ownership and Reduce Racial Disparities

EXPAND HOMEOWNERSHIP

Recommendations

Ownership - expand ownership and 'move up' opportunities

- Identify city-owned sites to target for new home ownership development
- Ordinance to allow Accessory Dwelling Units (ADU) for multi-generational families and additional rental opportunities
- Create financing incentives for home ownership development
 - Apply MHFA Impact Fund for city-administered allocation to developers
 - Partner with community-based lenders to connect buyers with financing
 - Expand on City provided down payment assistance

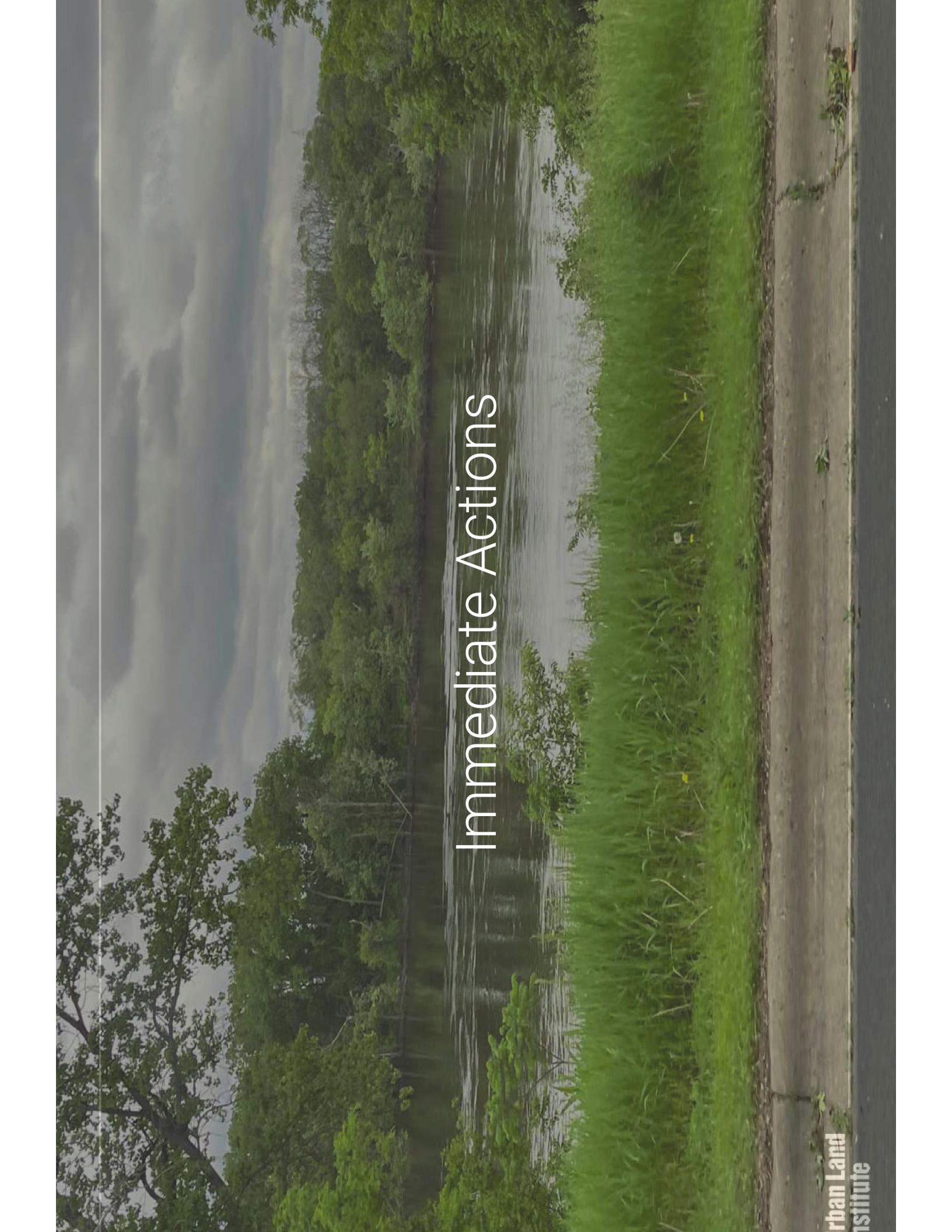
Incentivize alternative ownership structures for increased access, wealth-building, or long-term affordability

- Lease-to-purchase opportunities
- Townhomes/condos/cooperatives
- Owner-occupied rental (duplexes, triplexes)
 - Family Housing Fund & Hope Community: Building Equity in Small Multifamily Ownership training program
- Land Trust long-term affordability partnerships
- Pocket neighborhood/village concept (with shared amenities)

Reduce the Racial Homeownership Gap

Decrease racial disparity in ownership

- Identify goals for reducing ownership disparity in land disposition and developer subsidy agreements
- Dedicated down payment assistance for first-time BIPOC buyers
- Organized local resource point for homeownership education, financial counseling, buyer assistance



Immediate Actions

Increase Financing and Staff Capacity

Hire Housing Coordinator (or partner with neighboring city)

- Only job is to work on housing issues; meet with rental owners, tenants, neighborhoods manage programs, housing commission, etc.

Create Housing Trust Fund and Plan for Use of those Funds (designation and future thinking)

- Dedicate for Community Benefits Directly impacted by any development
- Home ownership renovation funds
- NOAH preservation to ensure quality and stability of lowest incomes
- Dedicate a portion of HRA Levy to HTF

Amend Sales Tax Proposal to close the gap on NOAH rehab funding

Immediate Actions

start to develop **equitable development policies** for contracting and hiring commitments tied to job training programs

start creating a **Housing Trust Fund** and **Increase Staff Capacity**

start process on **next phase of essential tenant protections** – SOL protections, inclusive tenant screening, relocation fund

aggressively advertise and connect people to financial literacy programs – need to start today to be ready for the opportunities

initiate **conversations with sources of rental assistance** so that they are ready to be employed as developments occur (MPHA - Faircloth to Project Based and Metro HRA or project-based vouchers)

contact The Building Equity initiative (FHF, Hope Community, Build Wealth, etc.) to discuss develop a training program for small owner-occupied rentals

Q&A

Thank you!

Email: housing@uli.org

Website: www.Uli.org/Terwilliger



Minnesota



Terwilliger Center
for Housing



BROOKLYN CENTER HOUSING

Improving Housing Quality and Affordability while Supporting
Equitable New Development in a First-Ring Suburb

City of Brooklyn Center, Minnesota



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Cover: Mural in Brooklyn Center, Minnesota. (*Urban Land Institute*)



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About the Urban Land Institute

The Urban Land Institute is a multidisciplinary organization with more than 45,000 members in private enterprise and public service. Members are dedicated to advancing the Institute's mission: shape the future of the built environment for transformative impact in communities worldwide.

The extraordinary impact that ULI has is based on several factors: The Institute is on the forefront of research. Peer-to-peer learning is achieved through the knowledge shared by members at thousands of gatherings each year and through the Institute's research and publications. Through outreach programs, including technical assistance and Advisory Services panels, members lend their expertise to communities in solving their most intractable issues.

About Technical Assistance Panels

Technical assistance panels (TAPs) are an offshoot of ULI's notable Advisory Services program. Both TAPs and Advisory Services panels offer expertise and technical assistance for communities and organizations facing land use challenges. Panels rely on volunteers who combine their individual expertise with the resources of ULI to provide unbiased, neutral perspectives on land use and real estate issues.

About the Terwilliger Center for Housing

The ULI Terwilliger Center for Housing was established in 2007 with a gift from longtime ULI member and former chair J. Ronald Terwilliger. The goal of the Terwilliger Center for Housing is to advance best practices in residential development and public policy, and to support ULI members and local communities in creating and sustaining a full spectrum of housing opportunities, particularly for low- and moderate-income households.

Through its Attainable Housing for All Initiative, the Terwilliger Center is deepening its impact through housing-focused Advisory Services and technical assistance panels. This campaign leverages the breadth of current and future housing-focused work within ULI to inform and advance efforts around the country to enable attainable housing preservation and production. The primary tool of the campaign is 10 technical assistance panels during the 2022 and 2023 calendar years.

About ULI Minnesota

ULI Minnesota is a district council of the Urban Land Institute. ULI Minnesota engages public- and private-sector leaders to foster collaboration, share knowledge, and influence meaningful strategic action in the responsible use of land to create and sustain thriving communities.

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Acknowledgments

The Terwilliger Center's participation in and support of this technical assistance panel was made possible by the generous financial contribution of former ULI global chair Thomas Toomey.

The panel would like to thank the staff at the city of Brooklyn Center for supporting the panel and the many community members who participated in the stakeholder interviews.



Recent housing development, Brooklyn Center, Minnesota. (Urban Land Institute)

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EXECUTIVE SUMMARY

This report presents the findings and recommendations of the ULI technical assistance panel (TAP) requested by the city of Brooklyn Center, Minnesota, to answer questions about balancing future development with the needs of existing residents to ensure housing affordability is sustainable and opportunities for building wealth are generated while displacement is avoided. The TAP process included pre-panel preparation and study of the local context and issues by the panel members, followed by two and a half days convening in person to tour the area, conduct interviews, and engage in dialogue and analysis of the questions to be answered. Each panel member brought discrete expertise to the process that was then synthesized into this report.

The report introduces the assignment given to the TAP, followed by a snapshot of the housing challenges facing Brooklyn Center. An assessment of the community's feelings deduced from the interviews is summarized.

The remainder of the report is devoted to the TAP's findings and recommendations for the city. The final section of the report details the recommendations the city should prioritize first. A summary of the major findings is provided here.

- **Increase benefits for existing residents.** This should include strengthening tenant protections, such as limiting month-to-month leases; expanding access to affordable housing options through rental assistance and other programs; and investing in programs that allow for community wealth creation.
- **Protect naturally occurring affordable housing (NOAH)** by identifying the existing properties and supporting their maintenance needs.
- **Facilitate new development.** The city can do this by establishing clear priorities and expectations from developers and embedding inclusive development practices in agreements. The city can also explore and enable alternative housing product types, including small-scale rental development and "missing middle" housing densities. The city should also expand its tax base and set up a housing trust fund. Finally, the city needs to increase staff

capacity to pursue all the recommendations, particularly any new development.

- **Expand homeownership and reduce racial disparities.** For both existing homes and new development, the city should invest in programs that can assist first-time homebuyers, particularly those who are Black, Indigenous, and people of color (BIPOC). The city should also create metrics and goals for reducing ownership disparity in agreements for new developments. The city can explore different ownership models and structures that would support different types of homeowners.

Most important, the panel encourages the city to be very intentional about focusing on housing needs and affordability. The panel recommends that the city should first invest in a new position focused solely on housing issues. This position should be prominent and engage with residents, advocacy groups, supportive organizations, and developers to be the city's voice on housing issues.

TAP ASSIGNMENT

The city of Brooklyn Center is a first-ring suburb of Minneapolis. It borders Minneapolis to the north and has been deeply affected by the historic segregation patterns that have driven Minneapolis to become one of the U.S. cities with the most disparate pattern of homeownership by race.

Brooklyn Center began as a post-World War II community composed primarily of white working-class residents. The housing supply is highly homogenous with a predominant housing style of single-story 1950s ramblers. About 37 percent of the city's housing stock is rental with the vast majority of the multifamily units constructed in the 1960s and early 1970s. They too are highly homogenous, comprising mostly one- and two-bedroom units. Of the city's housing, about 87 percent is considered naturally occurring affordable housing (i.e., housing that is more affordable than market rate without subsidy; this usually occurs as homes age), with median market rents affordable to those making 60 percent of area median income (AMI) or less.

The affordable housing supply has contributed to shifting demographics. Brooklyn Center is now 57 percent people of color, making it the most diverse community in the Twin Cities region.

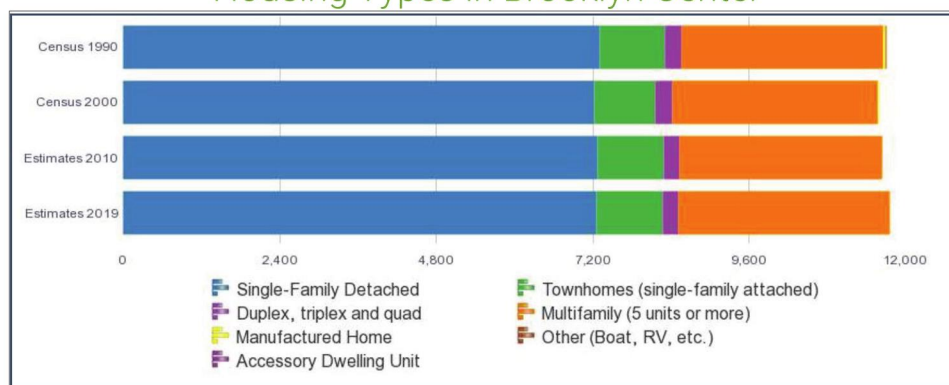
Brooklyn Center has experienced economic challenges due to shifts in the retail industry, resulting in the



Examples of housing in Brooklyn Center. (ULI staff)

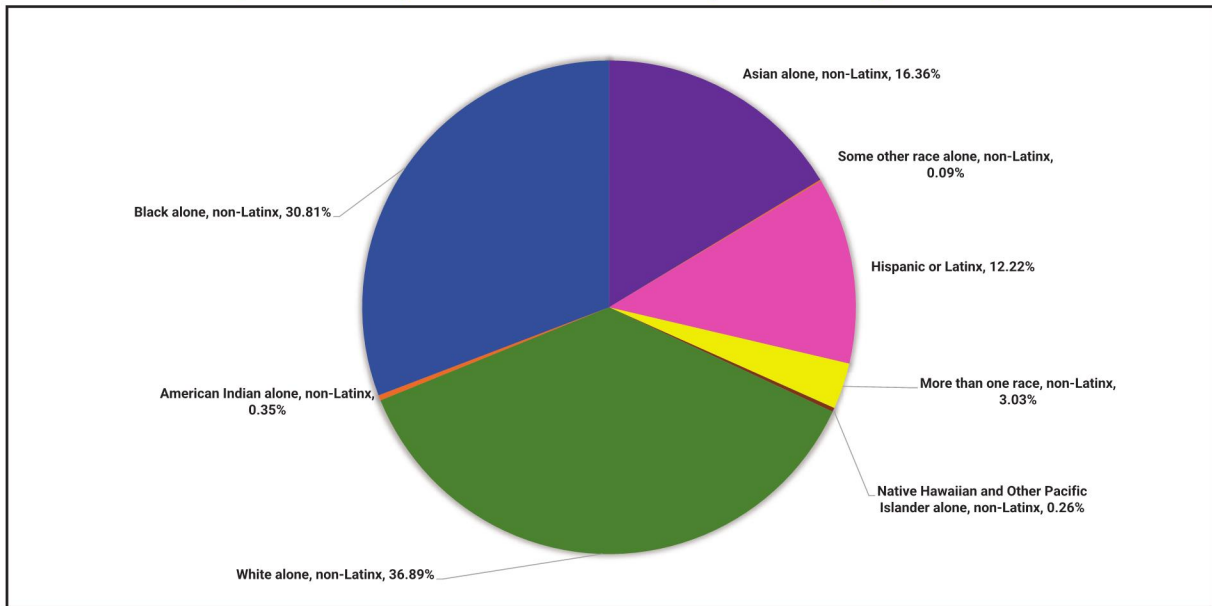
bankruptcy of its largest retail center, Brookdale. This has created large tracts of underdeveloped and vacant land in its central commercial district, putting pressure on the city's overall tax base. However, recently developers have expressed interest and increased demand for affordable land near Minneapolis. A concern of the community is that as the development pressure grows, existing residents are at risk of displacement following gentrification.

Housing Types in Brooklyn Center



Source: Metropolitan Council Community Profile.

Population by Race and Ethnicity in Brooklyn Center



Source: Metropolitan Council Community Profile. (Chart recreated by ULI)

The city is currently undergoing a master-planning effort for an 80-acre area of largely vacant commercial property. This area is known as the Opportunity Site. The vision is to create 2,000 new housing units with a mix of affordability, while expanding the diversity in typology of the city's housing supply and introducing new amenities, businesses, and services for its residents. The city completed a citywide housing study to understand the existing housing stock and identify gaps and pathways to encourage investment while mitigating the harms of gentrification and displacement.

“The overall goal is for the new development in Brooklyn Center to benefit existing residents while providing new resources and revenues to help preserve and stabilize its existing housing stock.”

The report from this study, *Livability, Affordability, Accessibility, and Safety: The Brooklyn Center Housing Report*, was produced by the University of Minnesota's Center for Urban and Regional Affairs (hereinafter the CURA Housing Study). The results are grounded in the guiding principles of livability, affordability, accessibility, and safety. The panel reviewed the CURA Housing Study in detail. (The study can be found [here.](#))

Scope and Questions for the Panel

To help ensure that future development meets the needs of existing residents, the city engaged with ULI Minnesota and ULI's Terwilliger Center for Housing to organize a technical assistance panel. The overall goal is for the new development in Brooklyn Center to benefit existing residents while providing new resources and revenues to help preserve and stabilize its existing housing stock.

The panelists evaluated how the city can work toward this goal by addressing the following four questions:

1. What are the principles, policies, and strategies Brooklyn Center should consider that will support a balanced supply of housing (market rate, move up, and affordable) that provides housing opportunities to build wealth and ensure long-term resilience for the community?
2. The majority of the city's housing stock is naturally occurring affordable housing that could be at risk with increased market demand as the city grows. What are key strategies to preserve the affordability of this housing stock while supporting new investment to maintain the quality and safety of the units? What are the best practices in prioritizing resources for affordable housing relative to new affordable units or NOAH preservation?
3. What are the methods for tracking risk factors and policies for mitigating displacement due to gentrification?
4. Based upon the recommendations from questions 1 through 3, what are the immediate and long-term policy, program, and strategic implementation steps, and where should the city focus its limited financial resources to have the most impact for long-term financial success?

The TAP Process

The TAP process, objective and instructive by design, equipped the panelists with briefing materials before the TAP work session, provided a bus tour of the city, and included interviews with key stakeholders to help further inform the panel about the housing issues facing the city and stakeholders' hopes for the future as follows:

- A tour of key areas of the city and housing-related neighborhoods and developments;
- Input from over 20 residents, city professional staff, area business owner representatives, property owners, developers, community organizations, and city council members;



Panel at work at the Earl Brown Heritage Center. (ULI Staff)

- A presentation by Atalus, the developer of the first phase of the city's Opportunity Site development; and
- A presentation and discussion by Dr. Brittany Lewis and her research team from the University of Minnesota's Center of Urban and Regional Affairs (CURA) to provide an overview of the quantitative and qualitative study of the current housing stock in Brooklyn Center and their subsequent report.

The insights from these interviews deepened the panelists' knowledge of the issues facing the city with regard to development opportunities, housing needs, desire for market-rate and affordable options, and hopes to increase the livability and economic opportunities of the city. This feedback informed the approach that the panelists took when making their recommendations for this report.

COMMUNITY ASSESSMENT FROM STAKEHOLDER INTERVIEWS

The panelists conducted a series of stakeholder interviews with representatives from residents, local developers, city officials, community organizations, and lending institutions. The following are common themes distilled by the panelists from their interviews and discussions.

Perceptions of the community and the city

- The community is seen as family oriented and culturally diverse, which is a strength.
- Residents feel that Brooklyn Center is a desirable place to live. The residents emphasized wanting to remain in Brooklyn Center and were invested in the future of the city.
- The city seems to be in a good financial position, and the city is invested its financial resource in ways that will help the community thrive in the future. Staff are forward thinking and proactive in their approach to planning.
- However, the city is currently facing a perception issue both inside and outside the community. Residents commented that since the police killing of Daunte Wright the community has not felt as safe.

Affordability

- Brooklyn Center is known for its large supply of naturally occurring affordable housing, but residents do not feel housing is affordable to them.
- Rent accounts for over 50 percent of one interviewee's income, and interviewees did not think more-affordable options were available in Brooklyn Center.
- There is a **mismatch between housing supply and demand**: a common theme among stakeholders was that wages are not keeping pace with the cost of housing; many advocated for "demand-side solutions" in addition to "supply-side solutions," such as building affordable housing.

Rental housing

- Long-term residents are worried about frequent rent increases; one resident estimated that rent increased by about 8 percent each year for the past 10 years. In many cases, stakeholders noted that rent increases were not coupled with building maintenance or improvements.
- Paying more in rent has prevented residents from saving for downpayments and moving into homeownership.
- Housing quality has deteriorated. Maintenance requests are not addressed efficiently or quickly. (This issue was mentioned by residents of both apartment buildings and single-family homes.)
- Landlords/owners interviewed generally support increased code enforcement to ensure that the owners who are not keeping properties in good condition are held accountable to increase the overall quality of rental housing.
- Stakeholders expressed that access to rental housing is unequal across different demographic groups.
 - Some landlords offer housing to immigrant communities without full paperwork and background checks in exchange for higher rents.
 - Immigrant communities are also more likely to have substandard leases and be subject to price gouging.

Homeownership

- Most stakeholders cited homeownership as their goal, and access to financing was the largest roadblock.

- Banks do not consider how much a household is currently paying in rent in the mortgage pre-approval process. Many are already paying more in rent than they would pay in mortgage payments.
- One stakeholder shared that the landlord had offered to sell the single-family home the interviewee was renting. Despite being eligible to receive a mortgage, the stakeholder did not feel that they would be able to afford the deferred maintenance needs, so they did not pursue financing options, even though the gap between the preapproved amount and a house was as small as \$20,000.
- Another stakeholder explained that most banks' homeownership programs for people with low incomes are for households making about 80 percent of AMI. Yet the median income in Brooklyn Center is well below the regional AMI, so Brooklyn Center residents are not able to access those programs.
- **Homeownership education is critical:** beyond access to financing, an underlying issue was unfamiliarity with the homeownership processes and the opportunities available.
 - One resident who had recently purchased a home highlighted how critical taking a course had been.
 - A representative from the banking industry expressed interest in working with individuals to piece together different grant and financing options, but the bank's funding depended on the applicant participating in a course.

Physical Development Observations

During the bus tour, the panelists generally felt the housing stock appeared to be in good condition and well kept. They observed that the existing housing was being maintained and that there was little to no vacant housing. This helps create vibrancy throughout the city and shows the community's strength.

The panelists also celebrated the distribution of parks and



Early sketch of Opportunity Site from the *Downtown Brooklyn Center Framework Plan*, Brooklyn Center draft report of July 6, 2021.

ample green space. Access to parks and green space is a continued priority for the city in future development, and panelists noted that a large park will be connected to the development of the Opportunity Site. The city's control of land in areas like the Opportunity Site is a huge asset for the community, and it allows development to better reflect the community's needs.

The city has good transportation access. Bus stops are distributed throughout the city, and the city plans to continue transit connections in the Opportunity Site. The city also has strong connections to the rest of the metro area via HW-100, I-94, and I-694. And a future light rail transit (LRT) station is only one to 1.5 miles from the city's borders.

Quantitative Assessment from the CURA Housing Study

In review of the CURA Housing Study and conversations with the researcher, the panel highlighted some key statistics that should inform future city planning and policy decisions.

- The rate of **eviction filings in the city was on average 1.8 percentage points higher than in**

Hennepin County between 2011 and 2019. This translated to about 16 percent of all renters in the city being evicted during the study period. The panelists applauded the city for its tenant protections policy, but they felt the city could go further to protect tenants.

- The city is the **most racially diverse community in the metropolitan area**. Understanding the racial diversity of the community is especially important for policy recommendations and how funding is distributed.
- There is a **shortage of housing for households making less than \$30,000 per year**, and prioritizing this need may be a key policy decision for the city when dedicating financial resources toward housing.
 - Overall, 51 percent of all renters are cost-burdened, and of renters earning less than \$30,000, 86 percent are housing cost-burdened.
 - The city has only 180 units that are affordable to those making less than \$30,000 per year.

“The city’s control of land in areas like the Opportunity Site is a huge asset for the community, and it allows development to better reflect the community’s needs.”

OVERARCHING PRINCIPLES AND PANEL RECOMMENDATIONS

The panelists identified overarching development principles to frame their specific recommendations. These principles are best practices derived from the panelists' own professional expertise tailored to the city's unique needs. The following are the guiding principles for the city's leadership as they implement the panelists' recommendations:

- **Enact a strong housing and economic vision for the city** that provides clear direction for the future.
 - Leadership needs to be bold and willing to take risks; adding staff capacity will be critically important.
 - Policies and programs need to be aspirational while also being practical, achievable, and enforceable.
- **Develop community trust** with intentional inclusion and deepened participatory planning.
- **Manage community expectations** for any new program or policy by establishing goals and metrics to gauge success.
- **Prioritize transparent communication** with residents by improving access to information.
- **Consider the connection among housing, jobs, and transportation.** Plan for a mixed-use, mixed-income, high-density city center as is the current direction of the Opportunity Site, and focus density around transit-oriented sites.
- **Explore partnerships.** The city cannot implement these recommendations on its own, and partnerships with the public, nonprofits, and the private sector will be imperative.
- **Embrace high design values** that contribute to creative placemaking.

The panelists focused on policies and strategies that would reduce the risk of gentrification and displacement of current residents as development occurs. These recommendations fall under the following four broader categories:

- Increase benefits for existing residents.
- Protect naturally occurring affordable housing.
- Facilitate new development.
- Expand homeownership.

INCREASE BENEFITS FOR EXISTING RESIDENTS

Although the Opportunity Site offers new development opportunities, many tools can be used to protect and empower the city's existing residents. Future development and planning should always ask how these residents will be impacted and seek to create benefits for existing community members. The panelists suggested that the city focus on the following strategies to enhance the position of existing residents, especially renters, residents of color, and residents with low incomes.

Increase Tenant Protections

The city currently has strong policies in place to support residents in rental housing. The city has a rigorous rental licensing program with regular inspections and license length limitations based on performance. In addition, it has a tenant protection ordinance in Section 12-912D of the city code. This ordinance originally focused on protecting residents from hardship caused by the sale of a property by requiring effective notice and relocation assistance when a transfer of ownership occurs of an affordable housing building. In April 2022, the city added protections for eviction notices and just-cause notices of nonrenewal. However, even with these policies in place, the city's rental housing residents could still have issues with low housing quality, slow responses to maintenance requests, regular rent increases, and other hurdles regarding access, quality, and affordability. The following will strengthen tenant protections:

- **Support several of the CURA Housing Study recommendations, including enforcement and incentives.** The city contracted with the University of Minnesota CURA to conduct a housing study for the city. The panelists generally agree with the recommendations made in the report and recommended focusing on the following:
 - Increase code enforcement efforts to ensure the quality and livability of housing and reduce tenant complaints.
 - Create a NOAH preservation program to encourage rehabilitation of older units while maintaining affordability with a focus on those that serve residents earning less than 60 percent of AMI.
 - Develop a data monitoring program specifically related to evictions.
- **Limit month-to-month leases.** While these leases generally provide the most flexibility for both the landlord and tenant, they do lead to greater housing instability. With many residents in the city on month-to-month leases, they are much more likely to experience unpredictable rent increases and risk of eviction without cause. The city could add a policy in its rental licensing process limiting the number of month-to-month leases issued by the city at one time or based on the type of rental license issued to the landlord. The city could also extend the notice time required by a landlord for any rent increases to 60 days. This could be incorporated into the city's existing tenant protection ordinance.
- **Eliminate source of income discrimination.** In 2017, the city of Minneapolis joined some 60 other municipalities by adopting a source of income discrimination [policy](#). As [reported](#) in the *Star Tribune*

of July 29, 2020, Minneapolis's ordinance was challenged in the courts by a group of landlords, but it was upheld by the Minnesota Supreme Court. This means that Minneapolis's policy can serve as a guide for the city.

- **Regulate tenant screening criteria.** The screening criteria used by a landlord for eligible tenants can greatly affect the accessibility of housing in an area. One common screening criterion is requiring that a tenant's income is more than three times the rent. While this can protect renters from being cost burdened, it often ignores how much a person is already paying in rent and reduces housing options. Similarly, criminal background checks are thought to make communities safer. But [recent research](#) from the Wilder Foundation showed that this is not the case and instead limits access to housing for people with criminal records. The city could issue standard screening criteria for landlords to use to help ensure equitable access to housing in the community.
- **Increase eviction protections/navigation support.** The city recently enacted a strong eviction protection ordinance. It will be important to measure the effectiveness of this ordinance through specific targeted metrics. Even with such an ordinance in place, the city should take steps to invest more directly in ways to support residents through an eviction by hiring an additional housing staff member, partnering with advocacy organizations that focus on eviction support, or doing both.
- **Evaluate benefits of a Tenant Opportunity to Purchase Act (TOPA).** TOPA is a policy that requires landlords to notify tenants before putting a property up for sale and to give tenants enough time to opt to purchase the property. The [policy](#) typically includes deadlines for tenants to submit a statement of interest, make an offer, and then secure financing and close on the property. This purchase can be

coordinated by fundraising from tenants' personal finances or in partnership with a nonprofit. TOPA typically slows the sale process for a property owner, but the owner will still receive a fair market price for the property. For Brooklyn Center, TOPA could help preserve affordable housing, especially if the policy includes a permanent affordability requirement contingency attached to the purchase of the property. However, the city should study whether this type of policy would be effective or if it would increase regulations without any likelihood of meeting the goal of protecting housing affordability. Programs in San Francisco and Washington, D.C., can be reviewed, with the caveat that those markets are vastly different from Brooklyn Center ([see Greater Greater Washington July 21, 2022, analysis by C. Gallaher](#)). In addition, the city of Minneapolis currently is reviewing the benefits and drawbacks of a tenant opportunity to purchase program that should be studied before investing time and staff in additional research and evaluation for the city.

Expand Access to Affordable Housing Options

One of the main revelations from the stakeholder interviews was a concern about rising housing costs while wages remain unchanged. Residents expressed frustration with the narrative that Brooklyn Center is known for having "affordable" housing because the housing does not feel affordable to them. New development in the city should target existing residents with low incomes in some way. The following are potential policies the city should consider for expanding the affordable housing options in the city as new development occurs.

- **Evaluate the benefits of an inclusionary housing policy.** Inclusionary housing policies encourage new construction of housing developments that reserve a certain percentage of units to be sold or rented at a rate considered affordable relative

to the AMI. Typically, inclusionary housing policies apply to multifamily developments with at least 10 units. The affordability is guaranteed for about 30 years through a land use restrictive covenant on the property deed. Some local municipalities allow developers to pay a flat per-unit fee in lieu of building affordable housing units. The city of Edina's policy includes an opt-out option with a \$125,000 per unit buy-in fee. This fee then goes into the city's affordable housing trust fund. In addition, the city of Bloomington has a similar payment in lieu option for its inclusionary housing policy. In many cases, requiring affordable units in market-rate developments cannot be achieved without public funding assistance, so any policy should first evaluate what the community's specific needs and market dynamics are and what strategies the city should consider when partnering with the private sector to increase affordability in housing. This can be achieved by talking with the development community as well as residents. If more 30 percent AMI units are needed, adding those within a market-rate development may become too expensive and not feasible. Another option that should be considered to increase 30 percent affordable units is to partner with nonprofit housing developers who have experience in funding and managing high-quality affordable housing and in many cases targeting the lowest of incomes.

- **Expand rental assistance programs.** To the best of the panelists' knowledge, the city does not currently have any rental assistance programs to support residents. The city leverages partnerships with rental assistance organizations (e.g., ACER Inc. or CEAP) or other governmental agencies (e.g., Hennepin County or Minnesota Housing). The city could work to strengthen partnerships with these organizations to provide stronger services to residents. The city could consider offering a rental assistance program directly to residents by partnering with

the Minneapolis Public Housing Authority (MPHA), which recently began issuing project-based housing vouchers outside Minneapolis. Connecting with MPHA to explore options and opportunities to expand rental assistance in the city will be an important strategy.

- **Reinvest Opportunity Site tax increment financing (TIF) funds to support renters within a quarter mile.** The Opportunity Site is expected to drastically change the character and livability of the developed area. This development will particularly affect those residents within a quarter mile of the site. While the buildout of the Opportunity Site will provide many services, commercial and public amenities, and new housing, as well as increase the city's tax base, existing residents may experience negative consequences. These consequences for those residents closest to the site could include pressure to sell their homes for redevelopment or have their rents increased.
 - Special attention should be given to the closest apartment buildings without income restrictions in place, such as the Gateway Commons or Four Courts apartments. The city should consider partnering with these owners early to help alleviate the market disruptions and provide assistance to ensure that the housing is of good quality and rents can remain affordable.
 - City staff expect some excess TIF funding from the Opportunity Site. The panelists recommend using excess TIF funding to support renters through payment assistance, transit support, and public amenities, and providing existing owners incentive to keep units affordable while improving existing properties.

Community Wealth Creation

The prior strategies are intended to meet the current needs of Brooklyn Center residents, especially as

the city develops. However, the city can do more to empower its residents and put them in a better position to generate wealth.

- **Invest in wealth building programs and initiatives.**

The city can promote community wealth building through investing in new public programs, procedures, and initiatives, particularly the following:

- A new **community information and education hub** to provide information for residents regarding homeownership programs, rental assistance, financial literacy training, small business loans, and so on. This information is currently dispersed across various organizations' websites, and the city could centralize the content.
- **Financial literacy training.** The city should expand access to and frequency of this highly valued educational opportunity.
- A **small business incubator** as part of the Opportunity Site. The incubator can help form connections between existing small business owners who may be retiring and wanting to sell their business and existing residents and entrepreneurs.
- Evaluating the benefits of supporting **cooperative ownership models** for businesses and housing development. Cooperative ownership is a financial structure that lowers risk and increases access to funding sources beyond the standard banking industry. One of the largest barriers to cooperative ownership is the lack of understanding about how the model works. The city could take an active role in supporting education about cooperative ownership and guides on how to use the model.
- **Explore community preference policies**, which allow individuals who have been directly impacted by a development to receive preferential treatment in accessing subsidized units in future development and wealth-building programs. These policies

reduce displacement and provide assurance to long-term residents that they can stay as the community develops. In addition, targeting wealth creation programs to existing residents and those who may be marginalized increases access and opportunities to reduce gentrification and displacement. This policy should be enacted before future value increases.

- **Support partnerships.** Partnerships can create wealth-generating opportunities through real estate—banks, land trusts, real estate investment trusts (REITs), and developers. The city could leverage partnerships with these organizations to support increased wealth generation opportunities in the city.
- **Banks: Hire a housing program coordinator, or ombudsman, to ensure that equitable banking policies** are being followed. The Community Reinvestment Act (CRA) requires that banks meet the needs of all community members, including those with low and moderate incomes and communities of color. By tracking banks' lending practices, the city can hold them accountable for meeting CRA lending requirements.
- **Land trusts:** A land trust model helps build community wealth by lowering the cost to own a home. The land trust holds title to the land, and the buyer owns the home that sits on the land. This ensures long-term home affordability in partnership with a nonprofit land trust. The city could partner with the [Homes Within Reach](#) community land trust to expand homeownership opportunities in the city. Homes Within Reach serves the west Hennepin County area, and it typically uses a buyer-initiated process to support low-income buyers in purchasing existing homes.
- **Real estate investment trust:** REITs allow individuals to buy shares of (i.e., invest in) real estate as part of their personal portfolio, and

they are a standard investment product used by traditional investors similar to a mutual fund or a stock portfolio. Some neighborhoods in large cities have started to use this model for local residents to invest in the neighborhood. A model to explore is [Neighborhood Investment Company Inc.](#) that invests in property in the Echo Park neighborhood in Los Angeles. The neighborhood REIT model allows individuals to participate financially, and sometimes physically, in the development of their neighborhood, allowing them to generate wealth from the prosperity of their neighborhood.

- **Developers:** Partner with developers to build housing products that allow greater wealth creation. One strategy for consideration is to encourage the development of small-scale duplexes or triplexes that facilitate an owner-occupied rental setup. A collaborative in the Twin Cities known as the [Building Equity in Small Multifamily Ownership](#) initiative has promoted this development model as a way to close racial disparities in homeownership and family wealth. This collaborative has worked with architects to develop a [series of construction plans](#) to make development easier. This **small multifamily ownership** allows households to receive rental income to help offset the cost of the mortgage and home repairs. It also can make it easier for multigenerational families to live close to each other without sharing all the same housing facilities.

“The city can do more to empower its residents and put them in a better position to generate wealth.”

PROTECT NATURALLY OCCURRING AFFORDABLE HOUSING

Naturally occurring affordable housing typically refers to rental properties that are considered affordable without a public subsidy ([NOAH Impact Fund](#)). “Affordability” is defined based on rent and basic utilities costing less than 30 percent of AMI. As highlighted in the stakeholder interviews and in the CURA Housing Study, regional affordability does not translate directly to the city’s local affordability needs. Of renter households who make less than \$30,000 per year, about 85 percent are housing cost burdened, meaning they pay more than 30 percent of their income toward housing costs. However, it is still incredibly important for the city to work to protect this housing type and recognize that NOAH provides needed housing for renters with a household annual income between \$30,000 and \$50,000 (about 23 percent of renter households).

The city must take proactive steps to preserve NOAH properties. Preserving NOAH properties is approximately **half the cost** of building new affordable housing. In the Twin Cities region, new development costs an estimated \$300,000 per unit, compared with approximately \$150,000 per unit to purchase and renovate NOAH properties.

Ensuring the maintenance of NOAH properties is critically important for a community. The stakeholder interviews and conversations with city staff underscored that maintenance is a concern among residents, despite the city’s rigorous inspection policy. Deferred maintenance could lead the building into disrepair and eventual condemnation. Further, any decline in NOAH properties will increase the risk of resident displacement and decreasing the value of surrounding properties. These results typically affect residents with the lowest income.

In addition, as the city continues to develop at the Opportunity Site, a market shift that would drive up rents on existing NOAH properties is extremely possible. In many cases as redevelopment occurs, existing property owners or incoming new investment buyers take advantage of the growing market by

BEST PRACTICES FOR PRESERVING NOAH

- Commit more to rehab.
- Find an effective way to stabilize rents.
- Speed to intervention.
- Require low-cost/free capital.
- Commit to preservation buyer/owner partnership.
- Ensure high-quality management.



Examples of NOAH housing. (ULI staff)

making basic renovations and raising rents. Therefore, the city needs to focus on NOAH preservation as it pursues the development of the Opportunity Site.

The panelists recommend two strategies to preserve NOAH:

- Work with existing multifamily property owners to aid in renovations while maintaining rents, and connect owners with a nonprofit buyer if they are interested in selling.
- Incentivize housing quality upgrades for low-income single-family homeowners and/or future buyers.

Both strategies require a financial investment from the city. The panelists compiled a mix of potential funding sources from taxpayers, developers, governmental agencies, and nonprofit organizations. One new funding mechanism is the use of a housing trust fund. The panelists highlighted a couple of common sources of funding for a housing trust fund, and additional ideas and resources can be found in the Local Housing Trust Fund Update developed by the Minnesota Housing Partnership ([Minnesota Cities with Affordable Housing Trust Fund and Sources/Uses](#)).

Recommendations for Preserving Multifamily NOAH Property

The panelists had the following recommendations for the city to preserve multifamily NOAH:

- **Identify NOAH properties** and their owners. This will formalize the relationship between the city and property owners to facilitate maintenance tracking and support renovations while preserving existing affordable rents.
- **Support maintenance of NOAH properties.** The city should provide funding assistance for building maintenance in exchange for keeping units affordable. It is important for the city to create clear eligibility criteria for any financial assistance. The city can use this opportunity to couple funding with

FUNDING MECHANISMS TO SUPPORT NOAH PRESERVATION

- Create a housing trust fund (HTF) supported by the following:
 - Pooled TIF—dedicate percentage to HTF.
 - New TIF—dedicate percentage to HTF.
 - Dedicate a percentage of the Housing Redevelopment Authority levy.
 - If inclusionary zoning policy is adopted, assign the payment in lieu of building fee to HTF.
- Use American Rescue Plan Act 2023 installment.
- Apply for NOAH Impact Fund #2—available fall 2022.
- Support governor/House—proposed “housing stabilization bill” with \$50 million to \$100 million dedicated to NOAH preservation.

other public benefits, such as requiring landlords to accept housing choice vouchers.

- **Protect NOAH renters.** The panelists have found that strong code enforcement is key for any city. If an inspector finds a property is not being maintained to the standards specified in the lease, or the city receives a complaint from a tenant, the city should help the tenant exercise his or her rights in accordance with the Tenant Remedies Act, which allows the city to perform necessary maintenance on a property on behalf of a tenant and place a lien on the property to recover the cost of the maintenance.
- **Form relationships with property owners.** It is important for the city to be made aware if a property owner plans to sell its building. If the

city knows in advance that a NOAH property may go up for sale, staff can connect the owner with a nonprofit housing provider that could ensure affordable rents are continued in perpetuity. In addition, it is important to have good relationships and communication among city staff (planners, inspectors, et al.) to understand what properties are at risk, so staff can focus the appropriate strategies and resources on those properties.

quality and values as well as provide opportunities for first-time/first-generation homebuyers. A city can use several strategies to facilitate support for new owners, which are detailed in the “Expand Homeownership” section of this report.

Recommendations for Preserving Single-Family NOAH Properties

The panelists had the following recommendations for the city to preserve single-family NOAH:

- **Increase owner-occupied rehab funds.** According to the city’s Comprehensive Plan, 86 percent of the housing stock is more than 40 years old. Brooklyn Center currently uses Community Development Block Grant (CDBG) funding for owner-occupied rehab grants, but it is limited to \$250,000 per year. As the housing stock ages, homes will need larger renovation projects to keep the housing safe and maintained. These renovation projects may not fit into the standard budget of homeowners, and additional support from the city could provide the boost needed to keep the stock in good condition. The city could use some of the funding mechanisms provided for NOAH, such as a housing trust fund, and/or create a partnership with Minnesota Housing Finance Agency’s Housing Impact Fund to support this work.
- **Facilitate and support first-time/first-generation ownership opportunities.** The single-family housing stock in Brooklyn Center is largely made up of smaller homes that sell for lower than market value than in other cities in the region. Most of the housing was built post–World War II and, because of its age, is now in need of renovation. Sales of homes with adequate rehab dollars can increase the

FACILITATE NEW DEVELOPMENT

Since the loss of the Brookdale shopping center in the early 2000s, the city's tax base has mostly depended on its residential property. According to city staff, the tax rate for residential properties is one of the highest in the metropolitan area. New development is a high priority for the city to increase its commercial tax base and shift some of the burden away from residential.



Map and aerial view of the Opportunity Site from the *Downtown Brooklyn Center Framework Plan*, draft report of July 6, 2021.

Moreover, the city is in a unique position of owning approximately 40 acres of the 80-acre Opportunity Site. According to the city's 2040 Comprehensive Plan, Brooklyn Center has seen only about 100 new housing units built since 2000, and these units were primarily small infill developments. Therefore, for the next few years, most new development will take place in the Opportunity Site.

The panelists recommend that Brooklyn Center have three overarching goals when planning new development in the city:

- Clarify the development process, and make it inclusive.

- Increase housing supply and diversity of housing options.
- Increase the tax base.

Clarify the Development Process and Make It Inclusive

For the city to attract and accomplish new development, the city needs to make the development process transparent and accessible. When a developer understands the entire procedure up front, including requirements and timelines, it can plan accordingly and minimize risks. Clear and dependable processes facilitate development.

Further, the city can use the opportunity to embed inclusive development in its guidelines. The city has firsthand experience in the challenging nature of inclusive development; the city recently restarted the engagement process for the Opportunity Site because city officials realized that the first round of engagement overemphasized the voices of a small subset of the population. Resilience and inclusivity should be considered for both the physical development and the development process.

- **Establish an equitable development scorecard.** A scorecard can take many forms. It can use a rigid scoring methodology, or it can present a series of questions, e.g., “How does the development address sustainability goals?” The scorecard can underscore city priorities, such as sustainability, affordability, or design. It allows the city to communicate clear standards and expectations that promote high-quality development reflective of community needs. A scorecard also benefits developers by increasing transparency, so they can evaluate how well their proposal is meeting the city’s goals and make adjustments in advance.
- **Adopt a land disposition policy for city-owned land.** Land disposition policies create standard principles for development types that can be applied consistently, and they create an opportunity to apply affordability expectations and deed restrictions where desired. Because the city controls a good portion of the site (44 of the 81 acres), this disposition could aid inclusive development on its land.
- **Increase the capacity of the city’s planning and housing department.** Having a qualified staff to work with existing residents and development partners is critically important to facilitate inclusive and clear processes and procedures. The city needs to both create positions and improve the department’s efficiencies so the city can work with developers and the community while implementing

the recommendations and subsequent new programs or initiatives.

- **Create a citizen’s advisory council specifically for the Opportunity Site.** A citizen’s advisory group can help provide focus and oversight to ensure that the priorities for equitable development of the Opportunity Site are achieved. This council would serve a consultative function similarly to a planning commission, but it can be more focused on advocating for residents’ priorities in advance of the review of development proposals. A developer could also work with this group before the official application process to solicit community feedback before drawing up detailed plans for review. This structure enhances the participatory planning process while creating “one voice.”

Increase Housing Supply and Diversity of Housing Options

Brooklyn Center has a vacancy rate of less than 2 percent. A healthy housing market exists when the vacancy rate is 5 percent. The low vacancy rate indicates that the city needs additional supply to meet its current and future demand for housing. It is important for the city to work with housing developers to increase supply and ease this market tension, which is known to drive up rents. Moreover, Brooklyn Center has very little diversity in housing typology, and residents feel they need to move out of the city to find housing that is appropriate for different life stages. The panelists developed a series of strategies for adding supply, density, and housing diversity.

- **Support small-scale rental development on city-owned sites.** Truly equitable development requires attention to the developer, development type, development area, and end user of the development. The city has the opportunity on its city-owned properties to prioritize equity and inclusion in all aspects of the development. For example, the city can use these properties as a training opportunity

for local BIPOC residents to gain experience in development. Small-scale rental developments such as duplexes or triplexes are good projects for emerging developers. The city could prioritize this kind of development on some of its properties and prioritize local BIPOC residents to take the lead or be a partner on the project, depending on their level of experience. The city could use one of many training opportunities, including ULI's Real Estate Diversity Initiative ([REDI](#)), or [Developers of Color Capacity Building Program](#), provided by Twin Cities Local Initiative Support Corporation and Greater Minnesota Housing Fund.

ULI'S REAL ESTATE DIVERSITY INITIATIVE

The Real Estate Diversity Initiative (REDI) is an intensive cohort experience open exclusively to professionals of color and women working in real estate and land use industries.

Participants learn about what it takes to put together a successful development through a combination of curriculum and case study work. Throughout the course, teams will produce a development plan, pro forma, and marketing plan for a specific site. Participants will engage in both large group and small group mentoring sessions.

- **Identify and target alternative housing models.**

Most of the homes in Brooklyn Center are either small, single-family homes, or larger NOAH apartment buildings. Less than 3 percent of all housing in the city is a duplex, triplex, or quadplex, which limits the opportunities for exploring new models for housing. New development should focus on adding diversity and opportunities for cooperative housing, housing for seniors,

multigenerational-format housing, and missing middle housing. An accessory dwelling unit (ADU) policy can add density on single-family lots that can serve multigenerational families well, add rental opportunities, or both. A 2020 report published by ULI's Terwilliger Center for Housing and RCLCO, *Family Renter Housing*, discusses the unmet need for families who are renters and showcases a variety of development types that can be replicated to better serve families who rent. These include suburban rental apartments, suburban single-family rentals, rental townhomes, detached and attached apartments, urban rental apartments, and mixed-income and affordable housing. The report and examples can be found [here](#).

- **Support increased density to add more housing units in the Opportunity Site.** The city has a great opportunity to add more units to the housing stock within the Opportunity Site. Supporting the addition of new housing units will help the city address its current undersupply of available housing. Low supply drives up rents, and adding new housing units, even if a portion of those are market rate, will help provide new options and opportunities for existing residents. This, in turn, frees up existing more affordable NOAH for those who may be paying too much for housing.

Increase the Tax Base

The city is planning to use tax increment financing for most new development in the Opportunity Site. It is important to remember that TIF will help increase the tax base over the long term, but it will not assist with the short-term need. TIF can help "prove the market" in Brooklyn Center for the first few developments, but it should be used sparingly moving forward, unless the city invests in affordable housing.

In recent years, the city has taken advantage of creative financing tools such as the housing tax levy, tax-increment financing, and a sales tax levy. The panelists also recommend new ways to expand

existing financing tools as well as create new financing mechanisms, which include the following:

- Use TIF to prove the market in partnership with the private sector (affordable and market rate).
- Use TIF pooling with a focus on including affordable units and market-rate multifamily development.
- Maximize public benefit through use of TIF—e.g., use a portion of TIF for a housing trust fund.
- Establish a housing trust fund to increase affordability within development proposals.
- Work with developers on 9 percent and 4 percent tax credit applications.
- Access available federal funds for housing or infrastructure to support affordable housing. This includes the American Rescue Funds and the most recent inflation reduction legislation.

THE MECHANICS OF A HOUSING TRUST FUND

Create a funding stream for the fund:

- Dedicate a portion of Housing and Redevelopment Authority levy to the HTF.
- Dedicate a percentage of the pooled TIF.
- Dedicate a percentage of the new TIF.
- Leverage partnerships with public, private, and philanthropic organizations.

Prioritize spending of the trust fund for:

- Existing residents directly impacted by any development;
- Homeownership renovation funds; and
- NOAH preservation and renovation, to ensure the quality and stability of housing for those with the lowest incomes.

EXPAND HOMEOWNERSHIP

Homeownership is known to be a primary method for building family generational wealth in the United States. Households are investing in an asset in lieu of paying rent, and equity in the house can be borrowed against in the future. To improve homeownership for Brooklyn Center residents, the city should look to homeownership programs, existing NOAH housing stock, and new development.

Facilitate Homeownership

To increase homeownership the city needs to support current homeowners and future homeowners, who are currently renters. The following recommendations support the homeownership process for current and first-time buyers.

- **Homebuyer programs.** Several programs and financial incentives can assist potential homebuyers. Many renters do not realize they are in the position to purchase a home. Homeownership education and financial literacy and counseling programs can assist those potential homeowners. These programs were lauded in the interviews but are not as accessible or well known as they could be. Further down the line, the city should establish a resource hub as a local resource point for these resources.
- **Financial assistance**, such as downpayment assistance funds, can provide the needed capital for renters to enter homeownership.
 - The city can connect existing renters in single-family homes to community banks and resources to evaluate the opportunity to purchase instead of paying rent. Having undergone a merger, Huntington Bank (formally TCF) is now likely to be under strong scrutiny from the federal government to provide more community services to the area. There is an opportunity to create new partnerships that would support Brooklyn Center residents where special financing could be created to support local ownership of housing in the city.
 - The city also currently provides \$10,000 to first-time homebuyers who work, live, attend school, or own a business in Brooklyn Center. This program is a good start, and the panelists recommend expanding the funding to provide increased benefits for long-term residents. In addition, \$10,000 may not be enough assistance toward a downpayment, and the city could consider increasing that amount.
- **Support existing homeowners.** The city should evaluate how it is assisting existing homeowners. In the NOAH section of this report, the panelists identified single-family NOAH as an available and attainable homeownership option for residents. But they also acknowledged that the NOAH housing stock is often in need of repair. Financial assistance to these homeowners, particularly rehab funds, can help those residents stay in their homes and improve the quality of their homes.

Reduce the Racial Homeownership Gap

Government policies and real estate practices have historically explicitly excluded BIPOC households from participating, including but not limited to racialized redlining, blockbusting, racial steering, and predatory lending. It is important to note that some policies and practices today still limit access as well through restricted access to credit and financing and fewer educational opportunities.

Brooklyn Center has a comparatively high rate of BIPOC homeownership in the Twin Cities, but a large disparity still exists, especially between BIPOC homeowners and BIPOC renters when compared to white homeowners and white renters. The city should **develop a set of metrics** to identify goals for reducing ownership disparity in land disposition and developer subsidy agreements. The city can also create a **dedicated downpayment assistance pool for first-time/first-generation BIPOC buyers**. Finally, all recommendations made by this panel should be **viewed with a racial equity lens**.



Expand Ownership Opportunities through New Models and Structures

New housing supply should target different housing typologies and ownership structures so that the new supply is meeting different household needs. Yet many of these options are often not allowed by right. A 2019 report published by ULI's Terwilliger Center for Housing and RCLCO, [*Attainable Housing: Challenges, Perceptions, and Solutions*](#), demonstrates the mismatch between the for-sale home product being developed and consumer preferences including affordability needs. The report outlines a few product

solutions, namely: small homes; value housing (simplified and limited options/packages); missing middle (duplex to multiplex, side by side or stacked); and high-density detached (clustered yet single family, e.g., court layout). These diverse housing products can contribute to a full spectrum of homeownership choices for singles, families, and seniors and provide both attainable housing and move-up opportunities.

LESSONS FROM PHILADELPHIA

The Land + Credit = Workforce Homeownership Program has a multipronged approach.

1. Locational analysis, which identifies clusters of publicly owned parcels and bundles them into RFPs that are appropriate for workforce homeownership;
2. Customized pricing, which disposes of the publicly owned parcels at a discounted price that balances a high sales price yet allows attainable homeownership to pencil;
3. Restrictive covenants, which require developers to ensure the properties are owner-occupied, homeowners are income certified, and resales are made at an affordable price-point for up to 30 years; and
4. Credit enhancement, which provides construction lenders with a 25 percent partial repayment guaranty on the condition that they loan at or above 85 percent loan-to-cost in order to open up availability of capital for developers of workforce product.

Further, Brooklyn Center residents expressed interest in more opportunities for multigenerational families to live together. More choices will allow residents to remain in Brooklyn Center despite their life stage. Alternative ownership programs include the following:

- Land trusts, allowing the city to partner with Homes within Reach (for more details see page 19);
- Lease-to-purchase opportunities;
- Condominiums/cooperatives;
- Owner-occupied rental (duplexes, triplexes);
- Small multifamily ownership initiative via [Family Housing Fund & Hope Community](#); and
- Pocket neighborhood/village concept with shared amenities between buildings.

The city should identify all city-owned sites and leverage them for new homeownership development. For example, Minneapolis has used vacant lots and city-owned lots to build homes. And the Philadelphia Redevelopment Authority's Land + Credit = Workforce Homeownership Program created 6,000 homeownership opportunities at attainable price points by leveraging city-owned land.

There are many ways the city could prioritize funding options for new homeownership development. One example is the **Community Ownership Impact Fund** operated by the Minnesota Housing Finance Agency. Cities and/or developers can apply to help finance the construction and rehabilitation of owner-occupied, single-family homes through the fund. The program requires that beneficiaries do not earn more than 115 percent of the AMI, which means most residents of Brooklyn Center would be eligible. The city should apply to this fund and administer funding to developers of single-family homes.

“Diverse housing products can contribute to a full spectrum of homeownership choices for singles, families, and seniors and provide both attainable housing and move-up opportunities.”

SUMMARY AND NEXT STEPS

The panelists assembled a wide variety of recommendations for the city of Brooklyn Center to explore as it moves into its next chapter as a city. These recommendations reflect the number of opportunities the city has at its disposal, and the panel encourages the city to be very intentional about focusing on these housing needs and affordability with a sense of urgency. The top recommendations that the panelists suggest city staff focus on for the rest of 2022 and into 2023 are listed here, followed by a snapshot of all recommendations.

- Hire a **housing program coordinator** to increase staff capacity with a focus exclusively on housing issues. Immediate responsibilities would include developing relationships with rental owners, tenants, neighborhood organizations, citizen advisory and housing committees, and developers; managing existing programs and developing new programs and policies; and seeking funding opportunities. This should be a high-profile position to ensure that the housing goals of the city and residents are achieved.
- Create an **Equitable Development Scorecard** with specific metrics for community benefits related to the Opportunity Site and hiring commitments tied to job training programs.
- Implement the **next phase of essential tenant protections**, including source-of-income protections, inclusive tenant screening, and limiting month-to-month leases.
- Establish a **housing trust fund**. Create a housing policy plan, outline funding sources, and prioritize the programs that will benefit from its funds.
- Initiate **conversations with sources of rental assistance** so they are ready to be deployed as developments occur (i.e., Minneapolis Public Housing Authority and Metro HRA for project-based vouchers).
- Establish a **community information and education hub** and, in particular, aggressively advertise and connect people to **financial literacy programs**. It is critical for residents to start today, so they are ready for the opportunities.
- **Identify NOAH properties and form relationships with their owners**, so that all subsequent maintenance tracking and NOAH protection programs are well targeted.
- **Amend sales tax proposal** to target funding for affordable housing at the Opportunity Site, and provide NOAH rehab funds to address rental housing building code and livability issues.
- **Formalize the Opportunity Site citizens advisory council** to create a formal board of review and elevated community engagement system related to the Opportunity Site.
- **Create enhanced partnerships, and seek support to fund new and expanded program recommendations**. This includes but is not limited to Homes within Reach, Family Housing Fund, Huntington Bank, and the Minnesota Housing Finance Agency.

What to Do in the Short, Medium, and Long Terms

Short-term recommendations should be the city's immediate objective. They will set the stage.

Recommendations in the medium term would be important to implement or set up before the development of the Opportunity Site. The long-term column designates recommendations tied to the development site as plans are evaluated and development occurs.

Short Term	Medium Term	Long Term
Hire a housing coordinator to increase staff capacity to carry out the recommendations outlined in the report and below.		
Increase tenant protections, eviction protections, and rental assistance	Pursue CURA's Housing Study recommendation specifically related to tenant protections, preservation of NOAH housing, and increasing access to wealth-building opportunities	Use TIF to incentivize development
Develop a community information hub and expand access to financial literacy programs	Evaluate feasibility of a Tenant Opportunity to Purchase Act, inclusionary housing, community preference policies	Maximize public benefit of TIF by using it toward housing trust fund
Identify NOAH properties and form relationships with their owners	Pursue land trusts, real estate investment trusts (REITS), and multifamily ownership models	Create a small business incubator on the Opportunity Site
Create an Equitable Development Scorecard and land disposition policy	Support maintenance of NOAH properties and protect their renters	Pursue cooperative ownership models for future commercial development
Formalize the Opportunity Site citizens advisory council	Establish rehab funds for NOAH properties	Reinvest Opportunity Site TIF funds to support nearby residents
Evaluate feasibility of all city-owned sites for homeownership development opportunities	Support small-scale rental development on city-owned sites	
Identify and pursue financing incentives for homeownership development: impact funds, banks, philanthropy	Expand homeownership opportunities by allowing different housing typologies and ownership models	
Establish a housing trust fund	Leverage public, private, and philanthropic sources to develop and work with developers on 4 and 9 percent tax-credit applications	



Panel presenting their findings. (Urban Land Institute)

ABOUT THE PANEL

Tom Murphy

Panel Chair

Senior Resident Fellow

Urban Land Institute

A former mayor of Pittsburgh, Murphy's extensive experience in urban revitalization—what drives investment, what ensures long-lasting commitment—has been a key addition to the senior resident fellows' areas of expertise. Murphy also serves on the advisory board of ULI's Rose Center for Public Leadership in Land Use.

Murphy is coauthor of the 2022 ULI publication *Legacy Cities: From Rust to Revitalization*. In 2011 he wrote *Building on Innovation*, a ULI report discussing the economic impact universities and hospitals have on local economies and providing detailed strategies to shape a successful 21st-century city based on a private/public/university partnership. Since joining ULI, Murphy has served on many Advisory Services panels, including panels in Moscow and Hong Kong, as well as Baltimore, Chicago, and other U.S. cities. In addition, Murphy served as ULI's Gulf Coast liaison, helping coordinate with the leadership of New Orleans and the public the rebuilding recommendations made by a ULI Advisory Services panel held shortly after Hurricane Katrina. He also worked on rebuilding strategies with leaders in the Gulf Coast areas of Mississippi and Alabama in the wake of Katrina.

Murphy has represented ULI in a number of cities, from Baton Rouge to Baltimore, helping them shape a revitalization strategy. He is a frequent speaker at ULI gatherings and other events.

Before joining ULI, Murphy served three terms as mayor of Pittsburgh, from January 1994 through December 2005. During that time, he initiated a public/private partnership strategy that leveraged more than \$4.5 billion in economic development in the city. Murphy led efforts to secure and oversee \$1 billion in funding for the development of two professional sports facilities, and a new convention center that is the largest certified green building in the United States. He developed strategic partnerships to transform more than 1,000 acres of blighted, abandoned industrial properties into new commercial, residential, retail, and public uses, and he oversaw the development of more than 25 miles of new riverfront trails and parks.

From 1979 through 1993, Murphy served eight terms in the Pennsylvania House of Representatives. He focused his legislative activities on changing western Pennsylvania's economy from industrial to entrepreneurial and wrote legislation requiring state pension funds to invest in venture capital firms. In addition, he wrote legislation to create the Ben Franklin Technology Partnership, now over 25 years old, which is dedicated to advancing Pennsylvania's focus on early-stage startup businesses and the commercialization of cutting-edge technologies. Murphy served in the Peace Corps in Paraguay

from 1970 to 1972. He is a 1993 graduate of the New Mayors Program offered by Harvard University's Kennedy School. He holds an MS in urban studies from Hunter College and a BS in biology and chemistry from John Carroll University. He is an honorary member of the American Society of Landscape Architects; a board member of Harmony Development Inc. of New Orleans; president of the board of the Wild Waterways Conservancy of Pennsylvania; and a board member of Mountain Lake Inc. of Virginia.

Katie Anthony

Vice President of Development Schafer Richardson

In her role as vice president of Development, Anthony is responsible for leading Schafer Richardson's Development Team and integrating development services with the company's other service offerings. She joined Schafer Richardson in 2015 and has two decades of experience in the planning, real estate, construction, and sustainable design industries. Anthony's expertise includes new construction, adaptive use, historic preservation, neighborhood economic development, and master planning within the mixed use, market-rate housing, affordable housing, homeownership, and creative office product types. She is adept at leading teams through all aspects of the development process from feasibility analysis and financial modeling to construction management and marketing and lease-up.

Anthony received a BA from Marquette University, has a master's in regional planning from the University of North Carolina at Chapel Hill, and practiced in New England before relocating to Minnesota. She is on the Advisory Board for the Minnesota Chapter of the U.S. Green Building Council and is involved in the Urban Land Institute, Minnesota Housing Partnership, and WIREDUP.

Carlton Brown

Chief Executive Officer and Partner Direct Invest Development LLC

A graduate of Princeton University's School of Architecture and Urban Planning, Brown cofounded Full Spectrum of New York in 1983. The firm was recognized as a national leader in the development of affordable, green, and smart buildings in emerging urban markets focused on "Creating Restorative Human Settlements." Has developed more than a thousand dwelling units of mixed-income and affordable housing in emerging urban markets and was also responsible for development of over 3 million square feet of corporate space for AT&T.

One of the founders of the green building movement in the United States, Brown has provided economic development and planning consulting services for Charlotte, Nashville, Louisville, Birmingham, Springfield (Massachusetts), New Orleans, Anchorage, and St. Louis.

Warren Hanson

President and Chief Executive Officer Greater Minnesota Housing Fund

Hanson is the president and CEO as well as founder of Greater Minnesota Housing Fund (GMHF) and Minnesota Equity Fund. He leads the executive team and works closely with state and local governments, philanthropy, investors, and community leaders to assemble resources and design strategies to meet affordable housing needs in Minnesota. He brings over 35 years of development finance experience to GMHF.

He was previously director of Riverfront and Neighborhood Development for the city of Saint Paul and was economic development director of West Bank Community Development Corporation. He is the cofounder of Community Reinvestment Fund USA. Hanson has an MS in city and regional planning from the Pratt Institute in New York.

Margaret Kaplan

President

Housing Justice Center

Kaplan graduated cum laude from the University of Minnesota Law School in 2003 and began her legal career with the Housing Preservation Project. She began her career as a community organizer, fighting for the rights of manufactured home community members with All Parks Alliance for Change (APAC). After law school, she joined HJC under its former name Housing Preservation Project, where she worked on a range of issues including preservation of federally subsidized housing and manufactured home community preservation. She then returned to APAC as the legal and public policy director, where she helped residents associations fight for their rights in parks, represented residents associations in court, and helped push legislation to support manufactured homeowners, including a law that prevented deceptive lending practices and creation of the relocation trust fund for homeowners displaced through park closures.

She spent four years at the Center for Urban and Regional Affairs as the operations director for the Minnesota Center for Neighborhood Organizing, working to ensure that people affected by decisions had the tools and skills to organize and advocate on issues ranging from education to transportation to police community relations to housing. Most recently she spent six years as the community development director at Minnesota Housing, where she worked to create connections between community needs across the state of Minnesota and the programs and policies of Minnesota Housing. Kaplan was also a policy fellow with the North Star Policy Institute. She brings a wealth of knowledge about local, state, and federal housing policy and programs as well as a robust background in the intersection of community organizing and the law.

equitable housing as a platform to build community and create social change.

Urban Homeworks focuses its work in majority BIPOC communities that have experienced the most disinvestment through targeted racial discrimination and have the largest disparity in incomes and ownership access. The organization focuses on small scattered-site community-based developments for both rental and homeownership and has a history of seeking creative solutions to housing problems and working to expand ownership access to low-income and BIPOC households. In her role, Ketz is responsible for overseeing all real estate-related activities from new development and acquisitions, to management of existing rental portfolios, to prospect planning and partnership development.

She holds a BA in global studies from the University of Minnesota and an MA in historic preservation from the University of Maryland. She has 15 years of experience in project management, construction administration, and finance. Her introduction to real estate development was through her love for old buildings, but affordable housing became the focus due to the overwhelming need in our communities.

Anne Ketz

Real Estate Development Director

Urban Homeworks

Ketz is the director of real estate development and asset management for Urban Homeworks, a nonprofit community development organization that catalyzes powerful people, using



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BROOKLYN CENTER HOUSING REPORT

LIVABILITY, AFFORDABILITY,
ACCESSIBILITY, AND SAFETY

EXECUTIVE SUMMARY

Author: Principal Investigator, Dr. Brittany Lewis,
Senior Research Associate

Contributing Authors: Marci Exsted, Adam Le,
Kyle Malone, Jeff Matson, and Justin Baker



Center for Urban and
Regional Affairs | **cura**
UNIVERSITY OF MINNESOTA

BACKGROUND & INTRODUCTION



JACOBBOONSM/SHUTTERSTOCK

Brooklyn Center, Minnesota is a growing community and one of the most diverse suburbs in the Twin Cities metro area. Like many growing metropolitan locales, they face the challenge of providing current and future residents with stable, accessible housing options, while actively addressing issues of growing gentrification and affordability concerns. To help address these emerging issues, the city reached out to the Center for Urban and Regional Affairs (CURA) to design a study that would aid their urban planning efforts and begin to head off current and future housing concerns.

Brooklyn Center initially partnered with CURA in 2020 to collect qualitative and quantitative data to provide a comprehensive picture of current housing conditions, affordability, resident experiences, preferences, and housing needs in the city and to provide tangible policy and practice recommendations that welcome new investment in the community while mitigating the negative impacts of gentrification. In 2021 CURA was contracted by the City of Brooklyn Center to continue this partnership by conducting rigorous investigation into the upstream causes and downstream effects of gentrification on the city. CURA conducted an intensive mixed-methods analysis of the housing conditions prevalent throughout Brooklyn Center. In the qualitative analysis, the focus was to gain insight into the experiences of renters, homeowners, and landlords in Brooklyn Center. The second phase of the quantitative analysis built upon the data demonstrated in the first phase, which identified gaps in affordability along with racial disparities in incomes and key housing outcomes.

The decision-making body that formed the backbone of the analysis was an advisory council composed of a wide variety of Brooklyn Center stakeholders, which included residents, landowners, members of government, and members of various community organizations who do community-engagement

work in Brooklyn Center. Over a series of seven meetings, and with the help of CURA staff and researchers, the advisory council established four guiding principles to lead the qualitative research. The guiding principles began as core values in small groups before being synthesized into the four categories of livability, affordability, accessibility, and safety. After these categories were determined, the advisory council sought to engage with multiple stakeholders in the city to understand the phenomenon of gentrification. Ultimately, a survey and focus groups were chosen as the methods of qualitative analysis to complement the quantitative analyses.

RESEARCH THEMES



Livability



Affordability



Accessibility

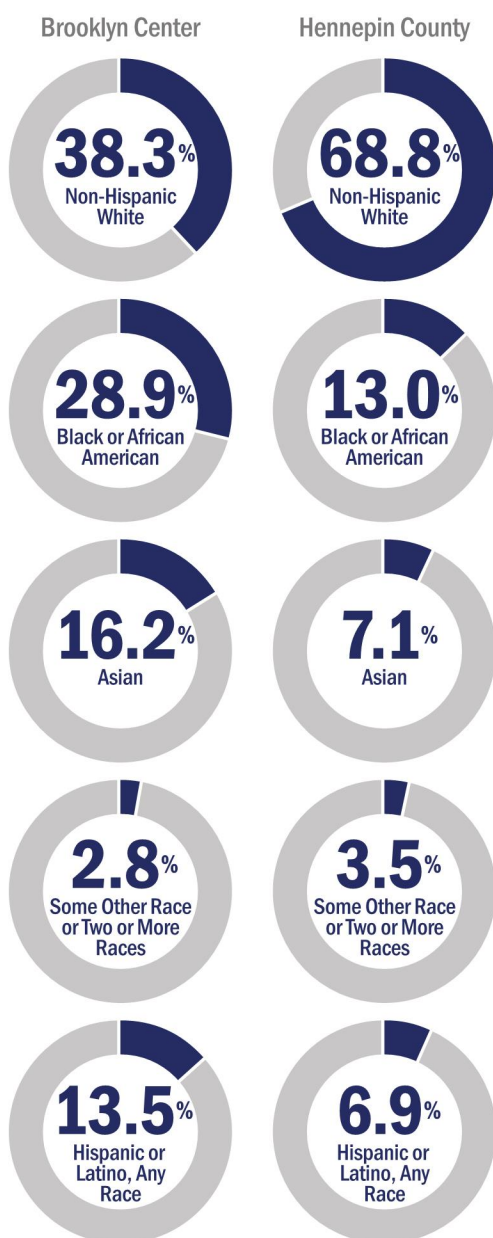


Safety

Brooklyn Center Demographics

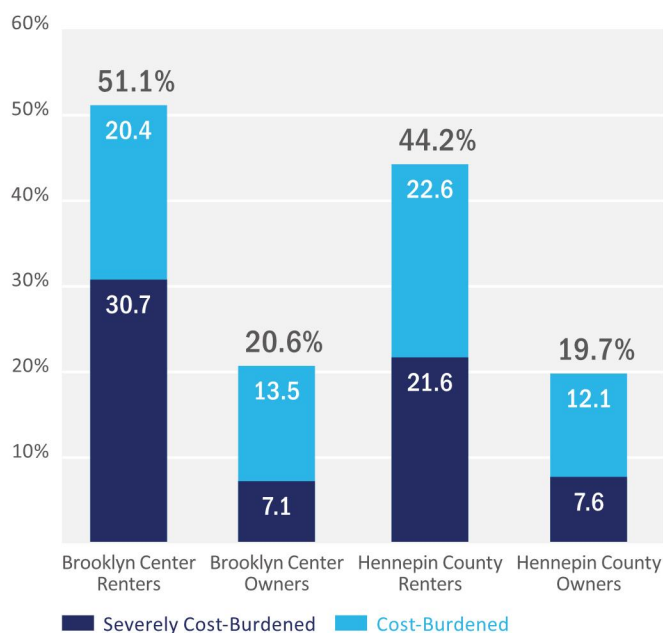
Brooklyn Center is a city of nearly 31,000 residents living in 10,400 households. It is one of the most diverse communities in the entire Twin Cities metro. Only about 38% of its population identifies as non-Hispanic white, compared to 69% of Hennepin County residents. Conversely, 29% of the city's inhabitants identify as Black or African American and nearly 16% as Asian, both of which are more than double the county averages. Among Twin Cities suburbs, Brooklyn Park is the only other city where at least half of the residents identify as non-white.

Racial Composition of Brooklyn Center as Compared to Hennepin County



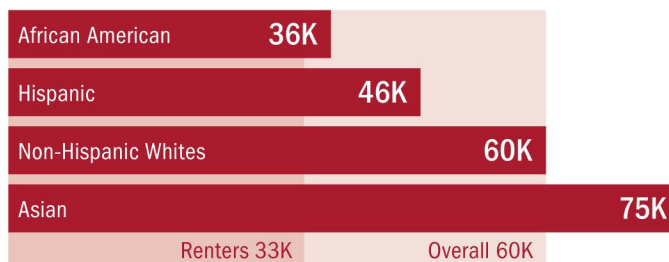
Among 34 suburbs in the Twin Cities metro, Brooklyn Center ranks near the bottom of median household incomes, both overall – about \$60,000 per year—and among renters—about \$33,000 per year. Meanwhile, because median gross rent is near the middle of the pack at \$1,083 per month, a large share of Brooklyn Center renters—who comprise 39% of the city's households—are paying more than 30% of their monthly income on housing.

Percentage of Renters and Owners Cost-Burdened



Like many other communities, there are significant disparities along racial lines. Households headed by non-Hispanic whites earn significantly more than African-American or Hispanic households—just under \$60,000 compared to \$36,000 and \$46,000, respectively. Asian-headed households have the highest median income at slightly less than \$75,000. Yet despite earning more than non-Hispanic whites by a significant margin, an equal proportion of Asian-headed households own their homes, about 79-80%. Other demographic groups are disproportionately renters. More than 50% of Hispanic-headed households and nearly 75% of African-American households must hand over money to a landlord each month.

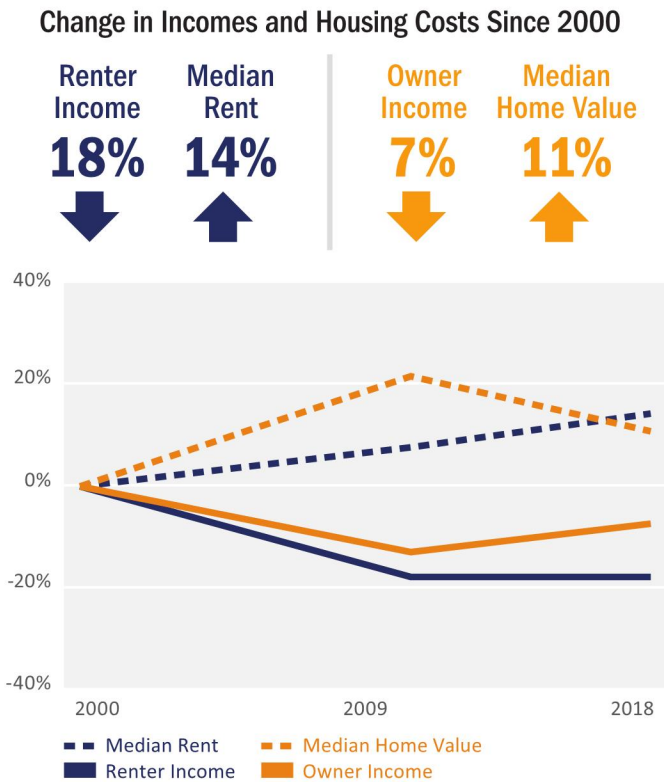
Median Household Income



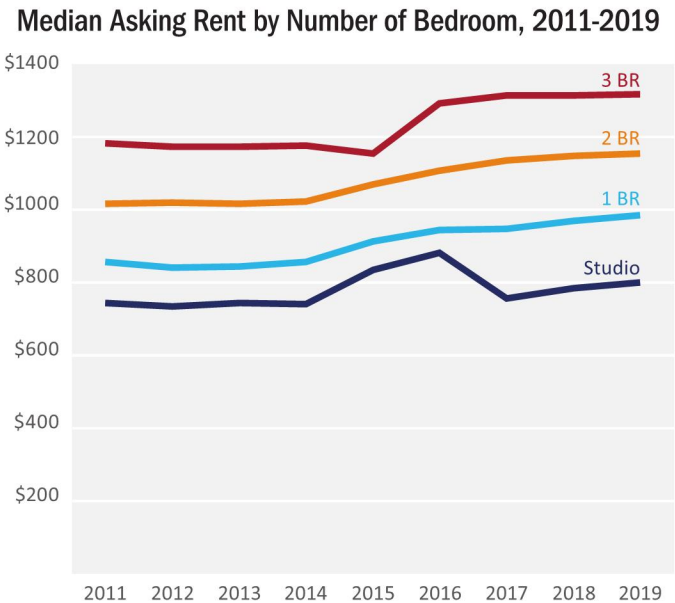
Trends in Incomes and Housing Costs

Incomes for both renters and owners have not kept pace with housing costs, although the problem is more acute for renters. From 2000 to 2019, the median income for renter households had fallen by 18%, from \$40,421 to \$33,217. Over that same span, median rents increased by 14%.

While not nearly as dramatic, incomes fell 7% while the median home value rose 11% between 2000 and 2019. Income growth has also lagged behind most other Twin Cities suburbs. The city’s overall median income fell by 10% in inflation-adjusted terms between 2000 and 2019, the ninth-worst performance among 34 included suburbs.



A closer look at year-by-year changes in asking rents reveals that rents were falling or stagnant until 2014, after which they began a precipitous upward climb. In the span of five years, the median asking rent rose from \$963 to \$1,094. This trend holds for one-, two-, and three-bedroom apartments. The exception is for studio apartments, where rents rose in tandem with the other units until 2017, when they fell by \$127, or 14%, compared to 2016. The reason for this sudden drop is not clear, but it may be tied to the completion of The Sanctuary at Brooklyn Center, a 158-unit affordable housing development.

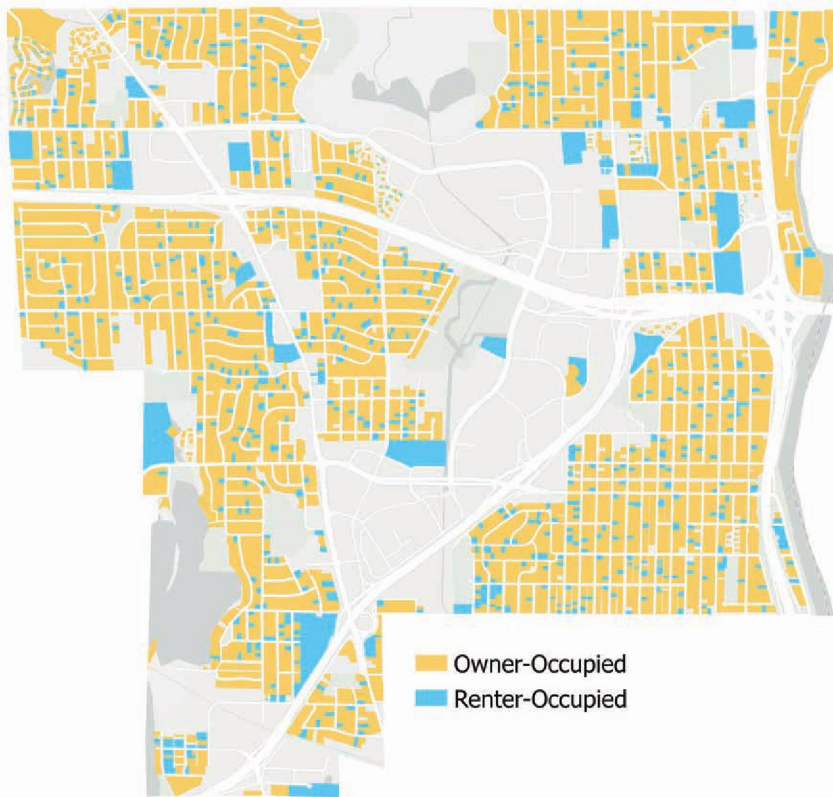


However, renters are not the only ones feeling the pinch. Home prices have increased even more rapidly since the housing crash. In Brooklyn Center, the median sale price for a home doubled between 2011 and 2019, jumping from just under \$110,000 to \$220,000 in real terms. Renters thus have greater difficulty becoming homeowners and building wealth while current owners benefit from appreciation in home values, potentially widening the wealth gap.

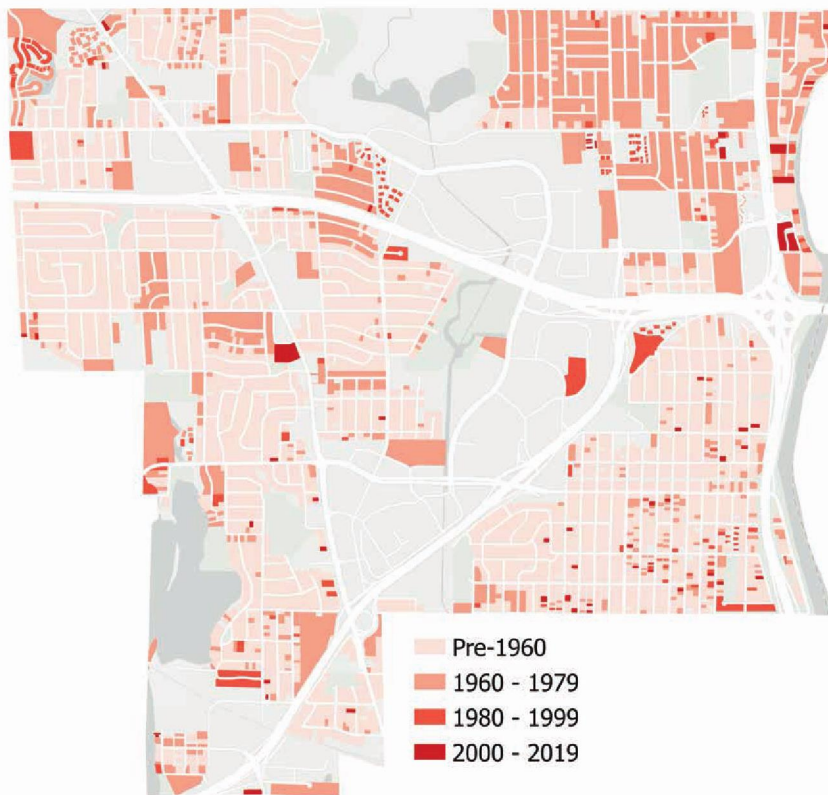


GOOGLE STREET VIEW THE SANCTUARY AT BROOKLYN CENTER MARCH 2022

Map of Housing in Brooklyn Center by Tenure



Map of Housing in Brooklyn Center by Year Built



Housing Stock

The city has an estimated 11,295 housing units, approximately 38% of which, about 4,300 units, are licensed rentals. Of the nearly 7,000 owner-occupied units, 90% are detached single-family homes. Many of those buildings are aging: more than 90% of the residential units in the city were built more than 40 years ago, compared to just 2% constructed after 2000. Owner-occupied units skew older, with nearly two-thirds built prior to 1960, while 75% of renter-occupied housing was built in the 1960s and 1970s.

These findings present a complex picture of the housing challenges Brooklyn Center residents face. Given the convergence of stagnating incomes and rising rents, it is no surprise that affordability and gentrification have become pressing concerns. Black and Latinx households in particular struggle to achieve homeownership, the primary wealth-building tool for families in the U.S., instead remaining caught in a rental market that fails to provide affordable options for households at the bottom of the income ladder.



GOOGLE STREET VIEW

Research Design and Methods

The Center for Urban and Regional Affairs (CURA) advocates for the necessity of community-engaged research—centering the knowledge and inclusion of community members throughout the research process. This research model relies heavily on collaboration with community members to bolster trust, usage, and accessibility for practitioners and policymakers. Once this data was established, at the request of the City of Brooklyn Center and the advisory council, CURA dug into these issues further. Working from this initial data dive, we determined that there was more demographic and market information needed, as well as direct input from individuals who rent and own in Brooklyn Center.

This is a mixed-method research project, applying both qualitative and quantitative research approaches. The project’s quantitative data was generated from existing Brooklyn Center and Hennepin County data. Qualitative data was collected through a project survey and focus groups. Focus groups, which would typically have been held in-person to increase

rapport between researchers and participants, were conducted virtually due to the pandemic.

In total, we received 373 responses to the survey from participants in Brooklyn Center.

What we found throughout our survey analysis was a lack of representation in BIPOC voices. We also did not effectively capture the experiences of renters and landlords within the city of Brooklyn Center. These pitfalls are expected when dealing with a convenience sample: certain categories, in this case white people, were overrepresented in the survey responses. To fill this gap we also conducted focus groups with Hmong homeowners and renters, Latinx homeowners and renters, Black (and specifically East African) renters, and landlords from different backgrounds and differing levels of scale (e.g., a few homes, multiple properties, multiple properties in different cities, etc.).

SURVEY PARTICIPANT DEMOGRAPHICS

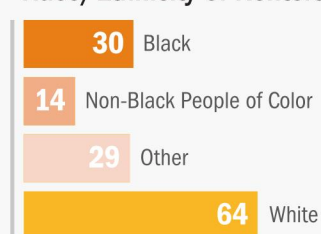
373 Participants



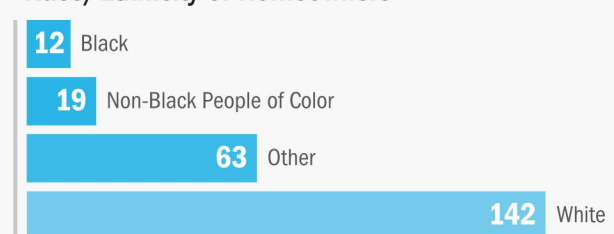
Gender



Race/Ethnicity of Renters



Race/Ethnicity of Homeowners



KEY FINDINGS

The data analysis can be broken down into the four main themes of this research project: livability, affordability, accessibility, and safety. In each category, evaluations of respondents from the survey were categorized into positive, neutral, and negative responses. We asked respondents to rate their opinion on how livable, affordable, accessible and safe Brooklyn Center was on a scale of 1 to 10, with 0 being the most negative rating and 10 being the most positive rating. Scores from 0 to 4 were rated as negative, scores of 5 and 6 were neutral, and scores from 7 to 10 were positive. Survey results provided scaffolding for the concerns that were top-of-mind of those who live in and plan for Brooklyn Center. Detailed quotes from the focus groups were paired to the survey summations, highlighting the lived experiences of individuals living and doing business in the city.

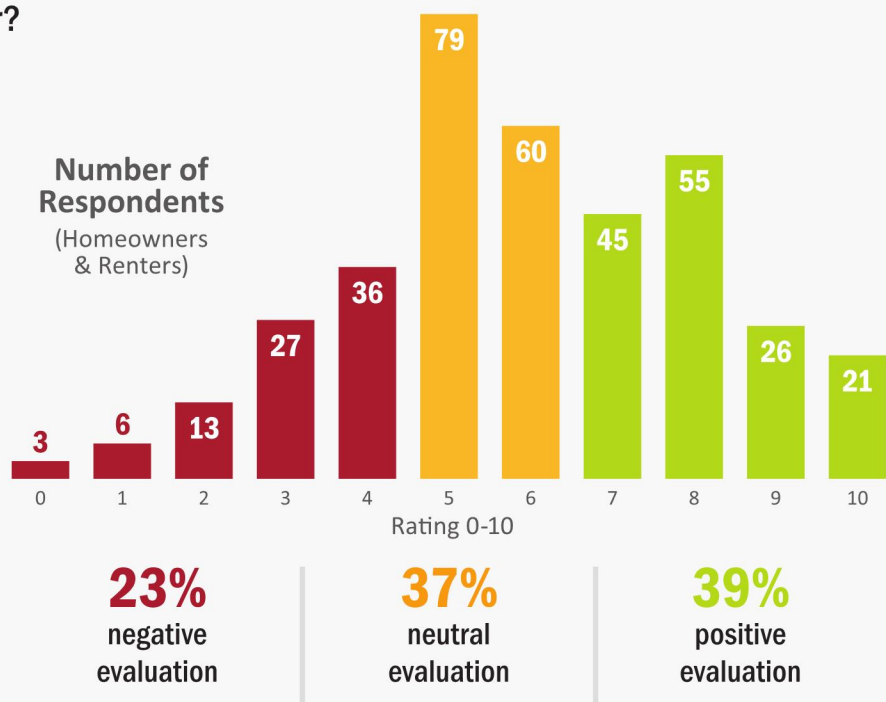
Livability

How Livable is Brooklyn Center?

In terms of the home: Is the structure comfortable? Is there access to fresh air and good sanitation?

In the neighborhood: How safe is it? How accessible is it? Are there social amenities? Are there outdoor spaces? Is there access to schools?

Looking into the future: Is it possible to live comfortably? What's the tenable condition to live there in the future? Ultimately, both the natural and built environments are equally important to determine livability.



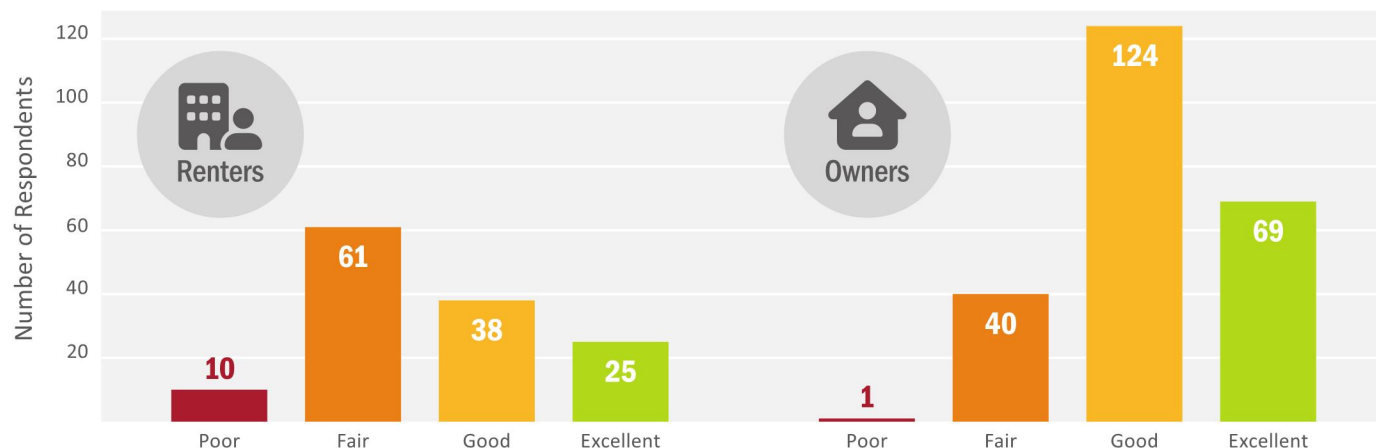
When respondents were asked how livable Brooklyn Center was on a scale of 1-10, 85 (23%) respondents gave a negative evaluation, with 139 (37%) giving a neutral evaluation, and 147 (39%) with a positive one.

A significant number of both renters and homeowners discussed the condition of their housing, with 130 homeowners in the survey talking positively about their housing condition and 17 renters talking negatively about their housing condition.

Maintenance

In the focus groups we found a discrepancy between landlords/property managers and tenants. Landlords and property managers reported covering maintenance within a timely and reasonable manner to maintain their properties, while tenants in our focus groups have not had timely responses to their maintenance requests. Other landlords agreed on the quick responsiveness and the extent to which reasonable maintenance

Survey Responses Evaluating Housing, Renters/Owners



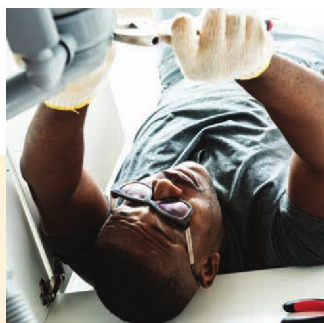
is covered by the landlord. Renters, on the other hand, found that “maintenance work is not done on time” and reported waiting months before anything was fixed. Renters resorted to calling the city to have inspectors (who they see as “the city”) force landlords to make fixes, which often happened after receiving a letter from the city.

“I would say renting in Brooklyn Center is pretty bad. Maintenance wise, I have to do mostly everything myself and it’s just the house itself when I moved in was already in pretty bad shape.” (Hmong Renter)

“One time I had a door that it was broken, and it took him three months of trying to get it repaired until I finally decided to call the city. And as soon as they got the letter for the city, immediately the door was fixed.” (Latinx Renter)

“I mean, if it’s routine maintenance, it gets fixed. A tenant broke it and it’s obvious or they say, “Hey, my toilet won’t flush.” And go down there and there’s five diapers down there, they pay for it. I mean, we try to be realistic about it.” (Brooklyn Center Landlord)

Tenants across all of our focus groups also reported having to do work on their own, which included scrubbing and cleaning the building after the previous renters and maintaining units that were “already in pretty bad shape.” This relates to another big theme



RAWPIXEL.COM/SHUTTERSTOCK

we found from renters in the city: the buildings and utilities were reported to be very out-of-date.

Inspections

This finding of maintenance concerns leads to the second main theme with respect to livability: inspections. Landlords across all of our focus groups were extremely frustrated with the inspections process and the rules and regulations of the city of Brooklyn Center. Landlords reported that Brooklyn Center was “by far...the hardest city to pass an inspection” and the hardest city to get through licensing inspections.

Tenants, on the other hand, felt like not enough was being done in inspections. When contemplating on what can be done to improve livability, an East African participant recalled:

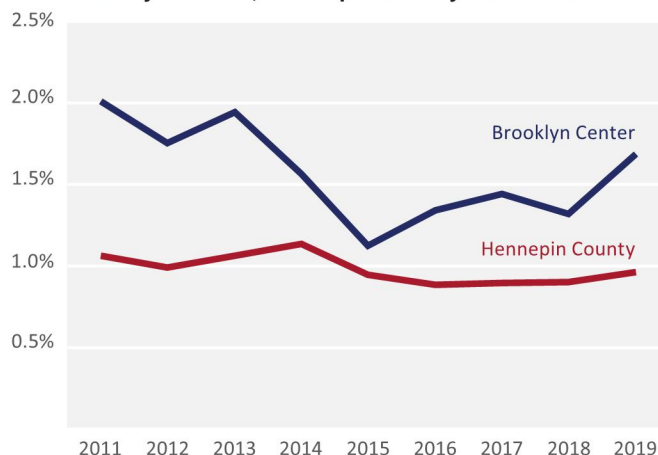
“I think a city inspection. The city inspectors, I blame them for most of the problem, because they come, they see the problem. They do nothing. It’s either they know the management and they don’t know the renters. So they approve them and they keep it moving when they need to fail them on what they’re not doing. So that was one of the problems we were trying to find the last time we met was why our city inspector giving people clean bill of health, management company clean bill of health, when they can literally come into an apartment and see the things that are not working, see the things that’s not functioning...I think the last time somebody said they wanted proof that there was a rodent in your house, I think you’re supposed to catch it and then keep it there until they come to evaluate. So I blame the inspectors, because I think that’s where the city can make a difference.”

Evictions

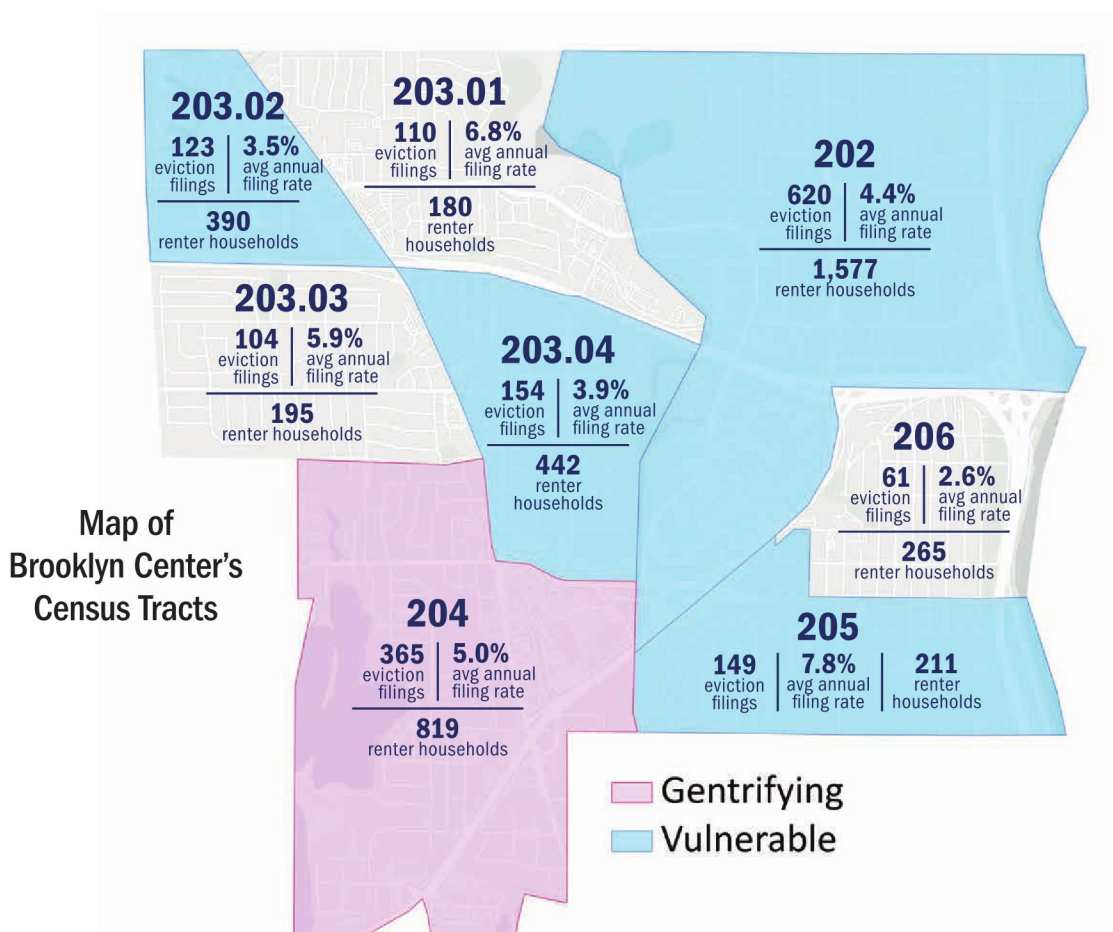
One notable absence in conversations with both renters and landlords is the subject of evictions. This is particularly surprising given Brooklyn Center's elevated eviction rate relative to Hennepin County as a whole: between 2011 and 2019 the rate of eviction filings in the city was on average 1.8% points above the county-wide rate. The rate of filings ending in an eviction judgment also exceeded the county-wide rate every year over that span, with 594 total judgments—assuming each judgment is for a unique household—means that at least 16% of all renters were evicted from their homes over those nine years. This of course excludes all “informal” evictions, including those that were never filed in court and agreements between tenants and landlords to vacate a home during the proceedings but prior to an official judgment.

We also wanted to determine whether there was a connection between neighborhood change and evictions. Social researchers have suggested that landlords in gentrifying neighborhoods may trigger displacement by increasing rents or issuing no-cause evictions to make room for more affluent tenants who pay higher rents. Could this be true in Brooklyn Center? While a rigorous statistical analysis is beyond the scope of this report, the data do allow for a few observations.

Eviction Filing Convictions
Brooklyn Center, Hennepin County 2011-2019



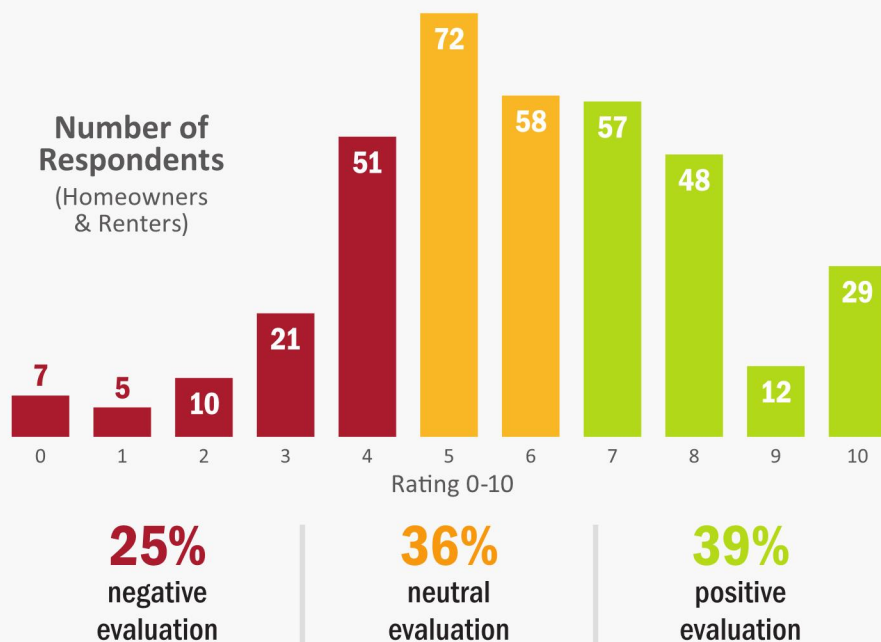
The city's sole tract exhibiting signs of gentrification hosted 365 eviction filings, or about 22% of the city's total. However, this tract also has the second-largest number of renter households, making the average eviction rate 5% of households per year, which is fourth-highest among the eight tracts. The four vulnerable tracts witnessed 1,046 eviction filings, 62% of the total, and collectively had an average annual eviction rate of 4.4%.



How Affordable is Brooklyn Center?

“Affordable” housing is something that is different for everyone since it depends upon a person’s income. We view it as “what’s left over” after spending money on housing. Is there “enough” left over for other things like food, transportation, childcare, etc.? Those elements dictate what is “affordable” for any particular individual, household, or family.

“Brooklyn Center is within my income range, [but] sometimes I struggle to pay my bills.” (Resident)



Of the respondents, 94 (25%) felt that the city was not affordable, 133 (36%) were ambivalent or neutral, and 146 (39%) felt positively towards affordability.

In terms of important deciding factors in moving to Brooklyn Center, respondents cited price as a main motivating factor (162 homeowners and 74 renters, for a total of 236) as well as proximity to work (131 homeowners and 72 renters, for a total of 203). Respondents also found price to be important, as well as the size of the unit (125 homeowners and 53 renters, for a total of 178) and the proximity to their families (110 homeowners and 61 renters, for a total of 171).

Differing Views

In the focus groups, landlords and renters again had differing views on the role of affordability. Landlords in our focus groups blamed the government for the lack of affordability in the city of Brooklyn Center. Renters, on the other hand, felt extremely cost-burdened in multiple different ways. A theme that was prevalent across focus groups is the cost relative to what was being rented, as rents are high not only for individual cost-of-living making them rent-burdened, but also that rents are high relative to the size of the units and the amenities, cleanliness, and livability that tenants are getting in the units where they currently live.

“I try to keep it affordable and I also try to make sure I’m not losing on the properties. I will say, I have a very small margin and I still, I do say I’m doing this for the community. And so, I’m not out there just to make a lot of money, but it’s getting really hard to keep it affordable for the people.” (Brooklyn Center Landlord)

“If you cannot afford a unit, move out and find a more affordable unit for you. You don’t have to live in the nicest house in town. There’s affordable units and you have to make sure it’s affordable for you. I can tell you I have an affordable unit, but if you’re one person and you want to get a three bedroom house, ‘I’m sorry, you don’t need that.’ So, I think it’s really...I’m happy I’m not the only crazy person, I would pay my tenant to move out before I take them to eviction.” (Brooklyn Center Landlord)

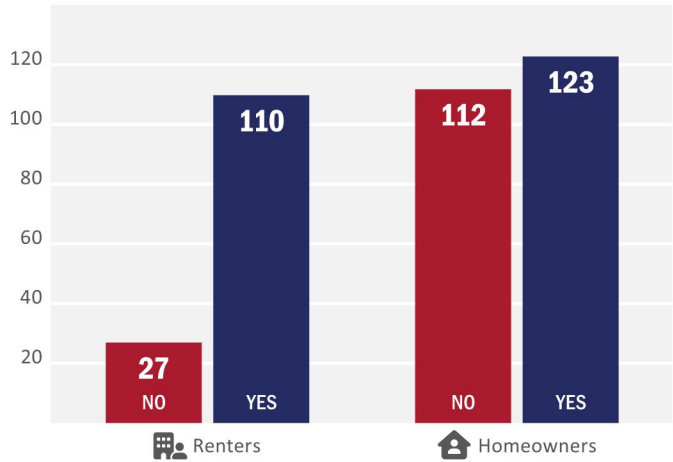
“My husband hasn’t left the job he’s in now. He hasn’t gotten a raise in there. So for our rent—and he’s in school, and school tuition is going up. It seems like \$600, \$700 every semester. So for us, it seems like, okay, when’s going to be the cap? How much can the rent go up for our one bedroom in Brooklyn Center?” (East African Renter)

Cost-Burdened

Respondents were also asked whether they spend more than 30% of their income on housing costs, and 62% of the survey respondents said that they did. When broken down between renters and homeowners, we find a wider disparity. While homeowners were pretty even between who spent more than 30% on housing costs and who didn’t, among renters the story is quite different. Renters significantly and overwhelmingly spent more of their housing costs on rent when compared to homeowners.

Housing Costs Across Renters and Owners

Do you spend >30% of your gross income on housing costs?



PLANETHEMIAH/NAPPY.CO

Brooklyn Center’s affordability challenges can be summed up in one statement—there are fewer deeply affordable units than households that need them. Using data provided by CoStar, we were able to determine that only 180 rental units—and only 24 market-rate units—are affordable to the more than 1,600 households earning less than \$30,000, or 30% of the Area Median Income (AMI) for a family of three, so it is no surprise that 85% of those households are cost-burdened.



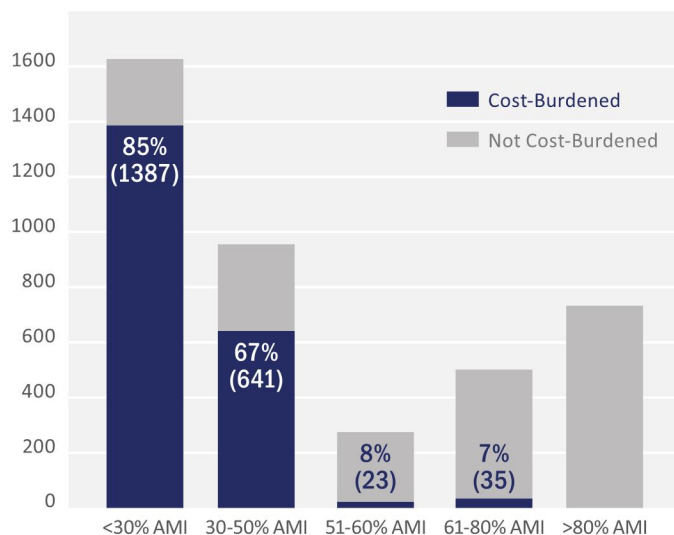
G_R B/SHUTTERSTOCK

Market Availability Compared to Household’s Income-based Need

HOUSEHOLD INCOME	RENTER HOUSEHOLDS	UNSUBSIDIZED UNITS	SUBSIDIZED UNITS	ADJUSTED AFFORDABILITY GAP*
<\$30,000	1,626	24	156	(1,416)
\$30,000-\$50,000	955	1,986	0	1,367
\$50,001-\$60,000	274	432	860	1,237
\$60,001-\$80,000	502	156	20	(296)
>\$80,000	730	41	0	(682)

*These data include only larger multifamily units, omitting several hundred single-family, townhome, and duplex rentals. To correct for this omission, the “adjusted gap” column assumes that the distribution of units by income range of the missing units is equal to the distribution of the included units. For example, 4.9% of units in our data are affordable to households earning no more than \$30,000. Multiplying this percentage by 4,297 yields an estimate of 210 affordable units at this income level, and a 1,416-unit shortage.

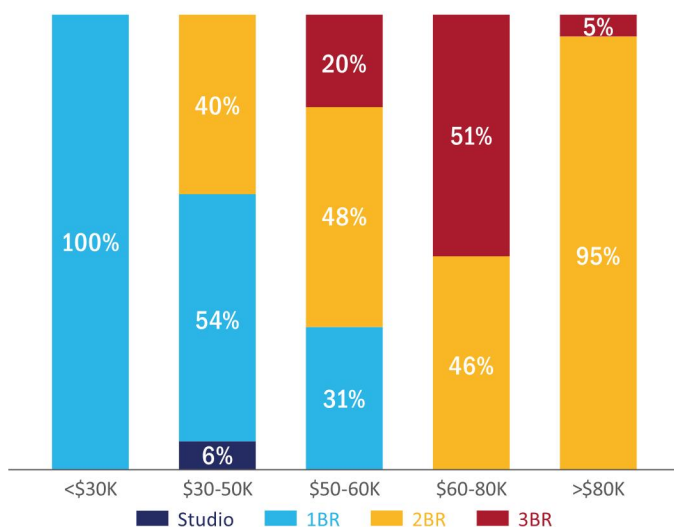
Percentage of Renters and Owners Cost-Burdened



Meeting Needs

Even among affordable rental units, there is a notable lack of diversity in size. Every one of the 156 subsidized units available to \$30,000-and-under households is a one-bedroom apartment, and no apartments with more than two bedrooms are affordable to households in the \$30,000-\$50,000 range. However, a large share of Brooklyn Center's larger rental units are single-family homes, so these numbers may overstate the shortage of larger affordable rentals. A sample of 10 four-bedroom rental units from Rental Revue revealed that two were affordable to households earning up to \$50,000, while eight were affordable to households in the \$60,000-\$80,000 range. But with an estimated 200 households with six or more members, it is unlikely there are enough larger units to serve this population.

Distribution of Cost and Rental Unit Size



In short, the need for affordable housing is most pressing for households at the bottom of the income ladder, but most new developments do not serve this population. For instance, Sonder House, Brooklyn Center's newest affordable housing development, is income-restricted to those earning up to 60% AMI. Fortunately, some relief may be coming for low-income renters in the first stage of the Opportunity Site redevelopment. A preliminary development agreement with Project for Pride in Living calls for 250 affordable units, including 147 units for renter households earning 30-50% AMI, with an additional 48 units further restricted to those earning less than 30% AMI. While the 30-50% AMI units have the potential to significantly reduce the rate of cost-burdened households among this group, the proposal amounts to less than 4% of the 1,387 cost-burdened households in the <30% AMI group.

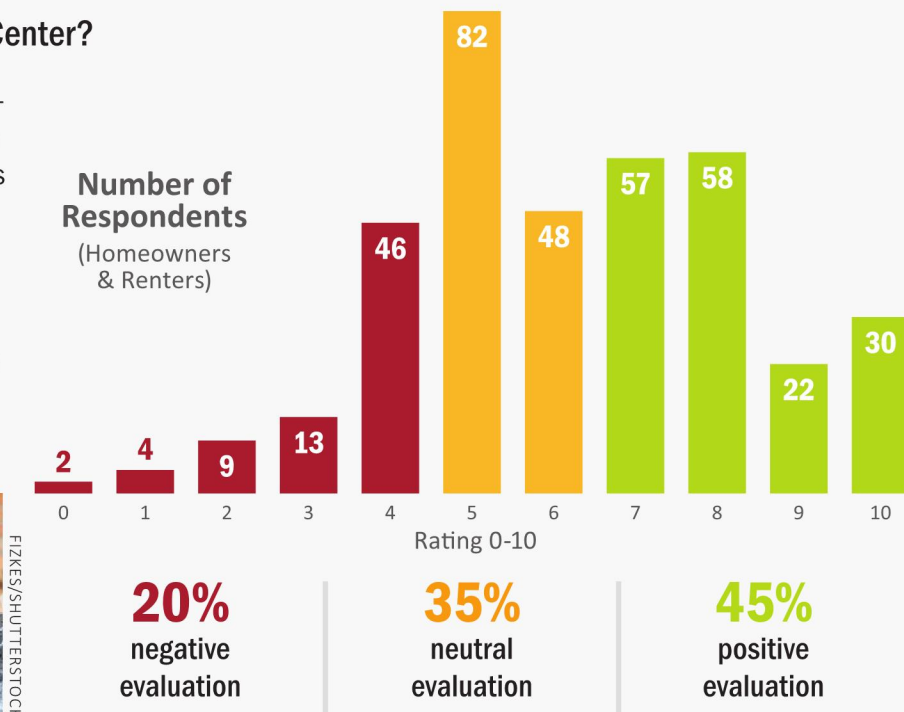
A trade-off between the level of affordability and the quantity of units built is an inevitable feature of the current structure of affordable housing financing in the U.S., so it is vital that decision makers understand the nature of these decisions. The city must also consider the trade-offs between subsidizing new construction and preserving existing affordable housing. More than 170 units across three properties reached the end of their mandated affordability period in 2018 and 2019, with another 300 set to do so in the next five years. These do not automatically convert to market-rate units, but owners may opt to raise rents at any time absent a proactive plan to ensure those units remain affordable to households of modest means (e.g., through acquisition by a non-profit, as Aeon has done with two properties containing 178 units in recent years).



TONY WEBSTER/Flickr

How Accessible is Brooklyn Center?

Knowledge of available rental or home-ownership options. The ability to utilize financial literacy and housing programs to access either option. Being able to find affordable, accessible (regardless of physical abilities), and functional housing when it is needed. Housing access is the ability for a household to find, obtain, and retain housing that is affordable to them.

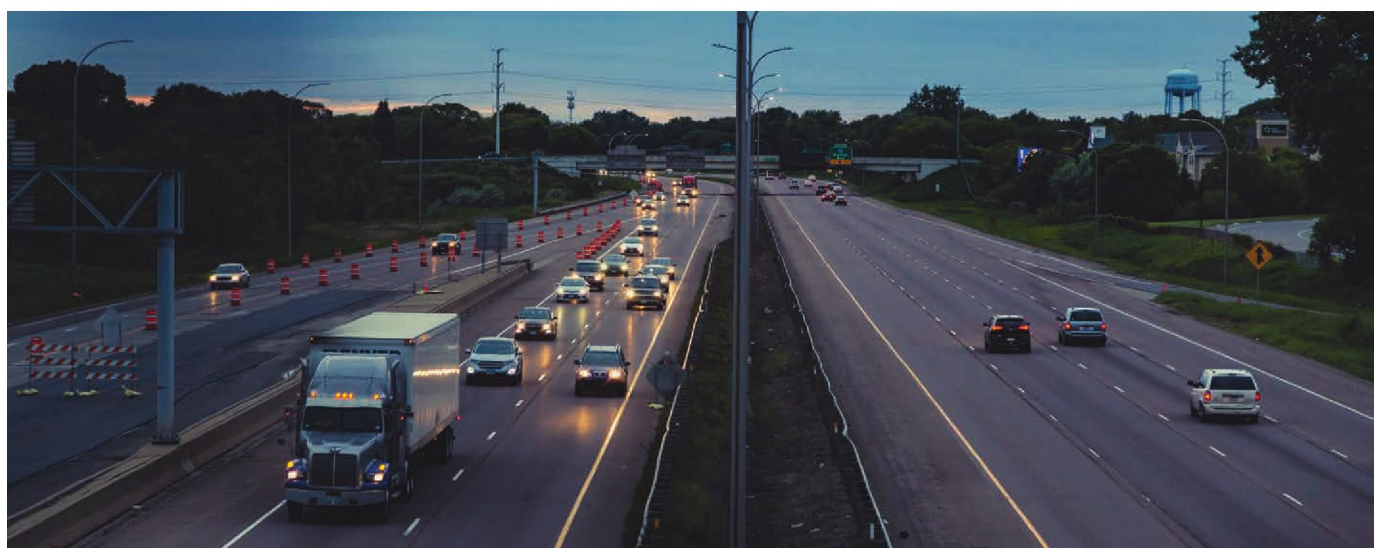


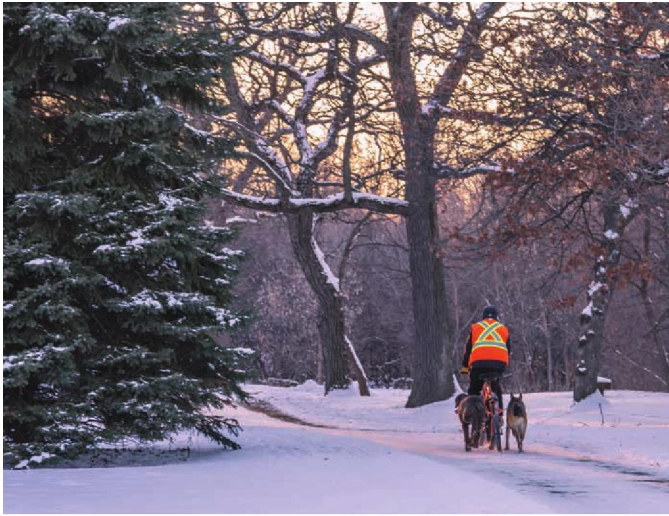
Of the respondents, 74 (20%) reported that they do not feel Brooklyn Center is accessible, 130 (35%) felt neutral or ambivalent, and 167 (45%) felt positively that Brooklyn Center is accessible.

Renters reported concerns related to rising rent and housing prices as well as credit scores and income restrictions affecting the accessibility of the city. Homeowners cited similar problems such as housing prices, social stratification with respect to housing, and finding nicer homes to move to.

Proximity & Cleanliness

In our focus groups, the convenience of Brooklyn Center was remarked on by many, noting that it is in the center of everything, it is close to the highway, and it is close to transit. Ethnic stores such as African stores and other cities such as Brooklyn Park were close to Brooklyn Center, and another respondent recounted that anywhere they wanted to go was within a fifteen-minute distance. We saw positive associations with accessibility related to proximity and cleanliness.





TONY WEBSTER/FLICKR

“Well, one thing. Because the area here is really clean, really quiet. The housing are not too clustered together. There are really good neighbors helping each other. It feels like it’s freely to live in the area here.” (Hmong Homeowner)

“Anywhere I want to go is like 15 minutes.” (East African Renter)



TONY WEBSTER/FLICKR

Employment

However, we saw negative accessibility related to the job market.

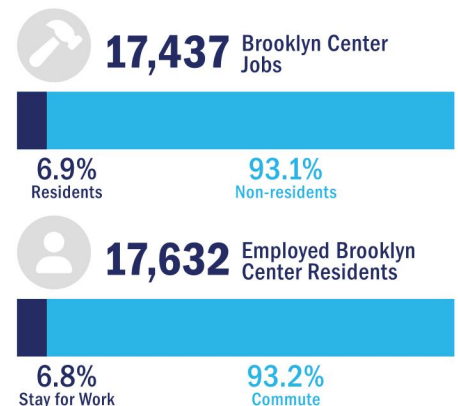
“Me, personally, I feel like Brooklyn Center don’t have a lot of job options compared to Brooklyn Park. For example, if I was to check indeed.com, I [inaudible 00:37:21] ask for you to put your zip code or what area you’re interested in, if I put Brooklyn Center there’s probably one to two jobs out of probably 50 jobs that’s available. It’d be nice to have more jobs that’s not fast food, but it’s more industrial jobs that’s available to us, because most of the jobs that’s available is all the way in Brooklyn Park.” (Hmong Renter)

One measure of accessibility is the relationship between jobs and housing in a community. These two are inherently linked as income is directly related to housing affordability. The higher one’s wages the more likely one is to own a home and the less likely a household is to be cost-burdened. Distance and time to reach employment can also be barriers to affordability as one needs both the means (car, accessible transit) and resources (gas, insurance, etc.) to achieve job stability.

We have found that Brooklyn Center has an equal mix of both employed residents and the number of jobs, with surprising alignment between the industries that people work in and jobs that are available. Also notable is the fact that Brooklyn Center residents have much shorter commute times than metro averages. However, we also notice that the wages paid by local jobs are lower than those of Brooklyn Center residents. This means that a large number of people are forced to leave the city every day to find higher paying jobs in neighboring communities.

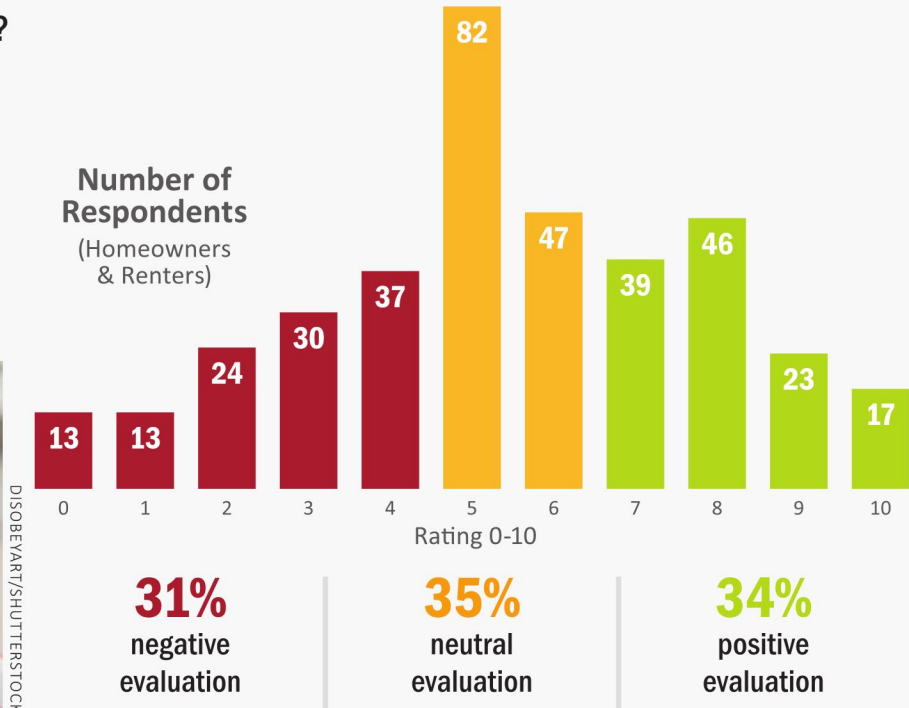
There is a close match between the number of jobs available and employed residents, but the vast majority of residents commute out for their work.

Jobs Inflow & Outflow



How Safe is Brooklyn Center?

Feeling safe and comfortable living in a place, without fear of being a victim of crime or bullying. Having trust that the resources and strategies used to provide a safe community are responsive to the community's needs.



Of respondents, 117 (31%) reported that they do not feel Brooklyn Center is safe, 129 (35%) replied ambivalently or neutrally, and 125 (34%) reported that they do feel Brooklyn Center is safe. These responses were fairly even, showing how different the experiences of safety are across residents.

Homeowners and renters rated positively the security of their units and the overall neighborhoods that they lived in, and security in general seems to be an important theme in making sure people feel safe not only in their individual unit or house but within the community at large.

The second theme that people expressed was positive feelings about crime: people were glad that there was low crime and they felt that the low crime rate contributed to their sense of safety.

The third theme was interactions with police: seven homeowners and five renters had a negative view of police interactions, and this may be a salient topic due to the murder of Daunte Wright. Nonetheless, other citizens still avoided certain areas of the city and cited grievances with the police.

Both homeowners and renters were concerned about navigating the city at night. In terms of what stable housing meant to the respondents, having a safe neighborhood with low crime rates was the most significant response among both homeowners and renters. Renters also wanted responsive landlords, while both renters and homeowners wanted a good school system and a walkable city.

Safety was a large theme in every focus group. Tenants, homeowners, and landlords all cited increases in crime and vandalism within their residences and properties in Brooklyn Center. In particular, our focus group respondents reported an increase in carjackings and vandalism and an overall lack of responsiveness from police. While the racialized groups in our focus groups reported relatively positive experiences with police and wanted more presence, the respondents in our Black and East African focus group in particular had issues with police and actively avoided law enforcement. One respondent's story was particularly salient and deserves to be told in full:

"Someone tried to break in all the units on my floor a couple of weeks ago. We called for help. They didn't come until about an hour later, but never let us know that they were in the building. We didn't hear a siren. This man was still in the building going on different floors. We didn't know. The only reason I know they came in is because I saw their heads go past the peephole. So it's like, okay, so who's here to help us? I feel like the ones that are supposed to enforce that on the ground is the police, or some form of policing. But we don't have that right now in Brooklyn Center. I don't know if we don't have enough officers, or they all over north."



TONY WEBSTER/FLICKR

“Lately within the last two years, I feel like there’s been an increase in vandalism in my neighborhood. My street is a private road and it’s dark. Just in the past two years, there’s been an increase in vandalism in our block. My car has gotten broken into once, searched twice. Just last week, our mailboxes were vandalized. So there has been an increase in that kind of activity, and I am a little concerned.” (Hmong Homeowner)

“We are very, very concerned about what’s going on in Brooklyn Center. The increase in crime has skyrocketed last three months and I’m not sure the city is doing what they should be doing to address this. It’s getting to the point that we are looking to get out of Brooklyn Center.” (Brooklyn Center Landlord)

I don’t know, but when we call for help, they don’t come. And if they do come, they’re aggressive, like you’re the person that is committing the crime. So it’s like, I don’t want call and then you kill me, but I’m calling you for somebody trying to kill me, you get what I’m saying? My kids are terrified of them now. So I don’t know. I don’t know what anybody else feels like, but I try my best to avoid them.”

This respondent’s experience highlights multiple pieces of safety issues that were prevalent in our focus groups in different ways. First, an increase in crime in general and personal property being broken into. Second, the lack of security and security cameras in rental units. Third, the lack of police presence within the city, and last the salience of police brutality that was on Black renters’ minds during the focus groups.

“I just wanted to see if Brooklyn Center can provide a little bit more security to maintain the city, so that we still continue to having the safety in our neighborhood here.” (Hmong Homeowner)

“So, I feel like I’m feeling safe where I live. Because even though, say I left something outside, forgot to close the garage, it’s still there. Nobody touching it. So, I feel that it’s safe.” (Hmong Homeowner)

“But for the most part, it’s a heavy police presence around. So I don’t worry about safety.” (East African Renter)

Crime rates in Brooklyn Center may be higher than many parts of the metro area, but overall have been declining in all but one major category (auto theft) since 2008. In fact, most categories of crime have seen levels drop to between 20% and 60% of 2008 levels. Rates of auto theft have been increasing in recent years, which matches what focus group respondents have reported.



BETTERABBA/SHUTTERSTOCK

RECOMMENDATIONS

Below you will find recommendations under each of the major themes identified by the advisory council and covered in our findings. In each we attempt to directly address those major thematic findings by laying out each as its own heading: livability, affordability, accessibility, and security. Importantly, these recommendations are, naturally, interrelated and build upon each other in order to be responsive to the complexities and interconnection of housing issues. Under these themes, we provide specific, actionable recommendations to be utilized by the city and the advisory council in ongoing planning activities. To support implementation, we recommend ongoing work to engage the community in order to effectively address their needs.

Livability

The most common complaints were around quality and habitability of rental unit conditions and the timing and enforcement of maintenance in rental units. At the same time, some property owners and managers felt that the city was too strict with repair enforcement. We recommend the establishment of a board (or an update of the composition and role of the existing Housing Commission) which represents both the rental and property owner community (with particular attention to representing the disempowered renters in this study), which is charged with addressing the conflicts and issues highlighted here, and has authority to recommend policy, programs, and resource allocations to address the issues raised by community members.

Create a Rental Unit Quality Board with authority to update codes and enforcement procedures, which can be enforced through existing maintenance inspection authorities on an emergency basis.

Composition and role of the Board: Whether a new body, or an adaptation of an existing board, the body should consist of

representatives from the rental community and property owner and management community, with the balance favoring the less empowered renters, particularly the financially vulnerable renters highlighted by this study, and should focus on the following issues:

- Adapting the rental unit code to cover quality and livability of rental conditions
- Evaluating and updating the current accountability, resident reporting, and inspection process if necessary
- Establishing an emergency repair procedure with authority to make statute-based repairs without the consent of property owners and levy the cost
- Investing in a fund for costly quality repair issues
- Developing a communication plan for the new guidelines and process

Affordability

Brooklyn Center's affordability challenges are most severe among extremely low income households. The limited amount of affordable housing at the <30 percent AMI level leaves renter households who are not fortunate enough to secure a spot in one of the city's 156 subsidized units paying a large portion of their monthly income on rent, leaving many only one or two missed paychecks away from eviction. While the Opportunity Site redevelopment has the potential to provide low-income renters with high-quality affordable housing, there is a risk that it induces gentrification, driving up rents and displacing residents in nearby neighborhoods. Our recommendations work

to address these challenges, particularly to protect those who are at the highest risk to lack access to or lose housing due to their income.

Create a Naturally Occurring Affordable Housing (NOAH) Preservation Program to encourage rehabilitation of older units while maintaining affordability, particularly in buildings that serve renters earning less than 60% AMI.

Develop a data monitoring program to track changes in key housing metrics, including rents and evictions.

Accessibility

Participants reiterated concerns about the affordability and availability of the types of homes they desired and the local availability of the type of employment opportunities they desired. This is borne out by data that shows that while there are enough jobs to match employed residents, they tend to be lower paying and not attracting residents of the city. Our recommendations involve preserving and building on some of the assets of convenience, while continuing to improve affordability by boosting public transit options and promoting development that produces high quality jobs, which could have the downstream effect of improving resident finances and easing affordability concerns.

Work with businesses and industry to develop and maintain living-wage jobs in Brooklyn Center that align with the educational backgrounds and skills of residents.

Connect local transportation infrastructure to incoming Blue Line Extension to streamline commutes.

Partner with commercial land trusts to preserve affordable commercial spaces for local businesses.

Safety

Homeowners, property owners, and renters all expressed concerns about rising crime and unresponsive police. Residents of color additionally expressed difficulty trusting law enforcement, creating a situation where they felt unsafe but also hesitant to call the police. As the city embarks on their reform process, we recommend targeting policing practices and policies, data collection and sharing, and how the reform initiatives are facilitated, led, and designed.

Audit of Policing Practices and Policies: Task a community-led board to perform a systematic review of crucial areas of police practice and policy, namely response procedures (process, timelines, and utilization of unarmed response teams) and how officers are hired, trained, and promoted.

- Have the review led by the Community Safety and Violence Prevention Committee or by a similar body created specifically for this purpose.
- Include a majority of community members who have interacted with police: those seeking assistance, informal interactions, participation in protests, arrest or detainment, and those who have supported someone across these interactions.
- Utilize an outside research/technical team to support the evaluation strategy, and hold regular public meetings to maintain transparency.

Expanded Data Collection and Sharing

- Hiring third-party consultants to do a literature review and key informant analysis of policing data collection practices in and outside of the state
- Building a partnership with the Minnesota POST Board and the Minnesota Department of Public Safety to regularly exchange data collection tools, processes, and policy

knowledge that informs the City of Brooklyn Center's comprehensive data collection metrics that keep state process and protocols in mind

- Regular public meetings for community updates and input

Facilitation, Leadership and Design of Reform Initiatives

- Facilitate/co-facilitate the relevant committees or boards to mitigate potential conflicts of interest that occur when elected officials or other stakeholders facilitate these processes
- Co-design the timeline and deliverable schedules and hold each entity accountable to those timelines and deliverables, adjusting where necessary
- Help support the community dialogue, data collection, and healing strategies across projects using equity-based community engaged methods



TONY WEBSTER/FLICKR

Understanding Dr. Brittany Lewis's Actionable Research Model

There is power in defining research questions and in controlling the production of knowledge. When research is done in communities of color and low-wealth communities, a power imbalance often exists between researchers and community-based organizations that must be disrupted. Community-engaged action research values community knowledge and people's lived experiences. It reflects meaningful collaboration between academics, advocates, policymakers, service providers, and impacted communities. It leads to more robust and holistic data, more effective policy solutions, and stronger community action. When we use a community-based action research model, community members are not the subjects of research—they are the co-producers of knowledge.

Dr. Brittany Lewis employs an action research model that uses a mixed methodological research approach to:

- (1) Build community power
- (2) Assist local grassroots campaigns and local power brokers in reframing the dominant narrative
- (3) Produce community-centered public policy solutions that are winnable

This model relies heavily on the development of reciprocal relationships across sectors that embrace an open process where the collective develops shared understandings for the purpose of creating social transformation.

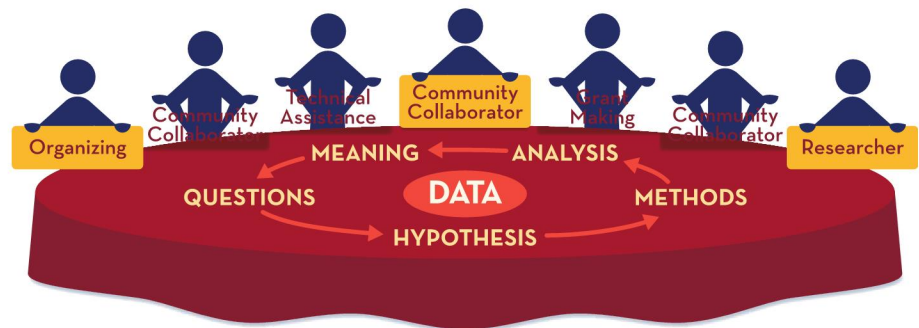
This actionable research model embraces a racial equity framework that asserts we must:

- (1) Look for solutions that address systemic inequities
- (2) Work collaboratively with affected communities
- (3) Add solutions that are commensurate with the cause of inequity

CURA's Research Model and Racial Equity Framework



Shared Expertise: Live-in Model of Research



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Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. _____

RESOLUTION OF APPRECIATION TO THE SOBOLIK FAMILY FOR THE DONATION OF BROOKLYN AND REX TO THE BROOKLYN CENTER FIRE AND POLICE DEPARTMENTS

WHEREAS, Compassion dogs are proven to lower anxiety, blood pressure, and stress, while increasing activity, improving mental health in others, and unconditional love; and

WHEREAS, they are to be used both internally and externally within the community; and

WHEREAS, after many months of planning both the Fire and Police Departments were looking for two therapy/compassion dogs; and

WHEREAS, we worked with a non-profit group that trains these types of dogs, Soldier 6 and they helped spread the word that we were looking for sibling dogs for this venture; and

WHEREAS, the Sobolik family answered that call and after imaging the value these dogs could make for others, agreed to donate two of their Golden Retriever puppies to the City of Brooklyn Center,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brooklyn Center, Minnesota, that appreciation and thanks are hereby acknowledged for the donation of Brooklyn and Rex to the Brooklyn Center Fire and Police Departments.

February 13, 2023

Date

Mayor

ATTEST: _____
City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by member _____ and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:
whereupon said resolution was declared duly passed and adopted.

Council Regular Meeting

DATE: 2/13/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: Elizabeth Heyman, Director of Public Works

BY: Ahmed Omer, P.E., City Engineer

SUBJECT: Resolution Certifying Special Assessments for Improvement Project No. 2023-02, 50th Avenue Improvements to the Hennepin County Tax Rolls

Requested Council Action:

- Motion to approve a resolution certifying special assessments for Improvement Project No. 2023-02, 50th Ave Improvements to the Hennepin County Tax Rolls.

Background:

A public hearing is scheduled on February 13, 2023 to consider certification of proposed special assessments for street improvements for Improvement Project No. 2023-02, 50th Ave Improvements. All potentially affected property owners have been notified by mail of the date of the assessment public hearing and the amount of proposed special assessments.

I. Explanation of Improvements

The proposed project includes roadway and utility improvements for 50th Avenue North between France Avenue North and Drew Avenue North. The project was previously established by the City Council on July 25, 2022, by Resolution 2022-70. On September 26, 2022, the City Council received the project feasibility report regarding the proposed improvements. An Improvement Public Hearing to consider ordering the improvements was held on October 24, 2022 and City Council authorized preparation of project plans and specifications. On January 9, 2023, the City Council declared certain project costs to be assessed for the 50th Avenue Improvements and called for a public hearing on the proposed special assessments to be held on February 13, 2023.

The project feasibility report provides a description of recommended improvements for the neighborhood and an estimated project budget. The proposed improvements are as follows:

1. **Street Improvements** – Partial street reconstruction which includes full depth pavement replacement, miscellaneous repairs of concrete curb and gutter and driveway aprons, bituminous trail replacement, and boulevard restoration.
2. **Storm Drainage Improvements** - The recommended storm sewer improvements include replacing catch basin castings as necessary within the project areas, and replacing or repairing catch basins and laterals where necessary or impacted by other utility work.
3. **Sanitary Sewer Improvements** - The recommended sanitary sewer improvements include replacing individual sanitary service lines and coordinating with the Metropolitan Council

Environmental Services to replace or adjust sanitary manhole castings and lids within the project area.

4. **Water Main Improvements** - The recommended water main improvements include complete replacement of the existing cast iron water main with new ductile iron water main, replacement of all existing valves and hydrants, replacement of water services extending from the water main in the street to the water curb stop or service valve located at the property line, and insulating one water service that has a history of freezing in the past.

II. Summary of Assessments

Special assessments are proposed as one of several funding sources for the improvements located on 50th Avenue. The 2023 special assessment rates for street improvements will be established in accordance with the City's Special Assessment Policy. The 2023 rates were established by the City Council on November 14, 2022.

The commercial properties, industrial properties and multi-family properties that are zoned R4 within the project area would be assessed based on an area basis. An "A" zone benefit includes the area abutting the street to be improved, extended to the depth of 200-feet and a "B" zone of lesser benefit for the remainder of the property area. The "A" zone rate is based on assessing 70 percent of the total street project cost deemed to benefit the property and the "B" zone rate is based on 30 percent. Based on cost estimates for full street reconstruction, the full unit rate has been determined to be "A" zone rate of \$0.4292 per square foot and a "B" zone rate of \$0.1839 per square foot. It should be noted that historically the assessments have been levied based on estimated costs rather than actual costs, understanding that the project costs are levied at a reduced percentage (70 and 30 percent as indicated above).

Appeals Process

If an appeal for a specific property is actually filed with district court, the City Attorney will advise the City Council of options for handling the dispute and potential litigation issues. Currently, staff is not aware of any substantive objection and recommends approval accordingly.

Payment Options Available to Property Owners

Once an assessment roll is adopted by the City Council, the owner of each property has the following payment options:

1. Pay the entire amount of the special assessment, without interest, between April 15 and September 30, 2023.
2. From October 1, 2023, to the end of the business day on November 17, 2023, a property owner may pay the total assessment, with interest calculated from October 1, 2023, to the date of payment.
3. A property owner may pay the assessment over a 10-year period. The first payment will be due with taxes in 2024. The total principal will be payable in annual installments. Interest at 3.5 percent is paid on the unpaid balance.
4. Partial prepayments (such as paying half now and certifying the balance) are not allowed.

III. Recommended Council Procedure

Public Hearing for Special Assessments: Staff recommends that a presentation be provided to the City Council prior to holding the assessment public hearing. Following the presentation, a public hearing to consider certification of proposed special assessments for street improvements should be conducted to receive public comments. The attached resolution certifying special assessments for street improvements for Improvement Project No. 2023-02 to the Hennepin County tax rolls is provided for City Council consideration upon closing of the public hearing.

Budget Issues:

The proposed street and utility improvements are included in the 2023 Capital Improvement Program. The total project cost is estimated to be \$ 410,000. Funding sources for the project are budgeted from sources as described in the project feasibility report previously accepted by the City Council on September 26, 2022. The special assessment rates were adopted by the City Council on November 14, 2022, and funding source amounts that are included in the feasibility report are:

	Feasibility Report (9/19/22)
Special Assessments	\$ 52,265.67
Sanitary Sewer Utility Fund	\$ 20,000.00
Water Utility Fund	\$ 160,000.00
Storm Drainage Utility Fund	\$ 40,000.00
Street Reconstruction Fund	\$ 137,734.33
Total	\$ 410,000.00

Inclusive Community Engagement:

Staff conducted a public informational meeting with residents and property owners on September 15, 2022. An Improvement Public Hearing was held on October 24, 2022 to receive public comments pertaining to the proposed improvements.

Antiracist/Equity Policy Effect:

N/A

Strategic Priorities and Values:

Key Transportation Investments

ATTACHMENTS:

Description	Upload Date	Type
Resolution	2/6/2023	Resolution Letter
Assessment Map	2/6/2023	Exhibit
Levy Roll	2/6/2023	Exhibit

Member _____ introduced the following resolution and moved
its adoption:

RESOLUTION NO. _____

RESOLUTION CERTIFYING SPECIAL ASSESSMENTS FOR IMPROVEMENT
PROJECT NO. 2023-02, 50TH AVENUE IMPROVEMENTS TO THE HENNEPIN
COUNTY TAX ROLLS

WHEREAS, pursuant to proper notice duly given as required by law, the City Council has met, heard and passed upon all objections to the proposed Special Assessment Levy No. 22140; and

WHEREAS, assessment rolls, copies of which are attached hereto and part hereof by reference, have been prepared by the City Engineer and City Clerk, tabulating those properties where street improvement costs are to be assessed.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brooklyn Center, Minnesota that:

1. Such proposed assessments, Special Assessment Levy No. 22140 for street improvements, made a part hereof, are hereby accepted and shall constitute special assessments against lands named therein, and each tract of land therein included is hereby found to be benefited by the improvement in the amount of the assessments levied against it.
2. Such assessments shall be payable in equal annual installments extending over a period of ten (10) years as indicated on the assessment roll. The first of the installments shall be payable with ad valorem taxes in 2024, and shall bear interest on the entire assessment at the rate of 3.5 percent per annum from October 1, 2023, through December 31, 2024. To each subsequent installment when due shall be added interest for one year on all unpaid installments.
3. The owner of any property so assessed may at any time prior to certification of assessment to the County Auditor pay the whole assessment, to the City Treasurer, without interest, if entire assessment is paid on or before September 30, 2023. After September 30, 2023, he or she may pay the total assessment, plus interest. Interest will accumulate from October 1, 2023, through the date of payment. Such payment must be made by the close-of-business November 17, 2023, or interest will be charged through December 31 of the succeeding year. If the owner wishes to pay off the balance at some point in the future, such payment must be made before November 15 or interest will be charged through December 31 of the succeeding year.

RESOLUTION NO. _____

4. The City Clerk shall forthwith transmit a certified duplicate of this assessment to the County Auditor to be extended on the proper tax lists of the county, and such assessments shall be collected and paid over in the same manner as other municipal taxes.

Date

Mayor

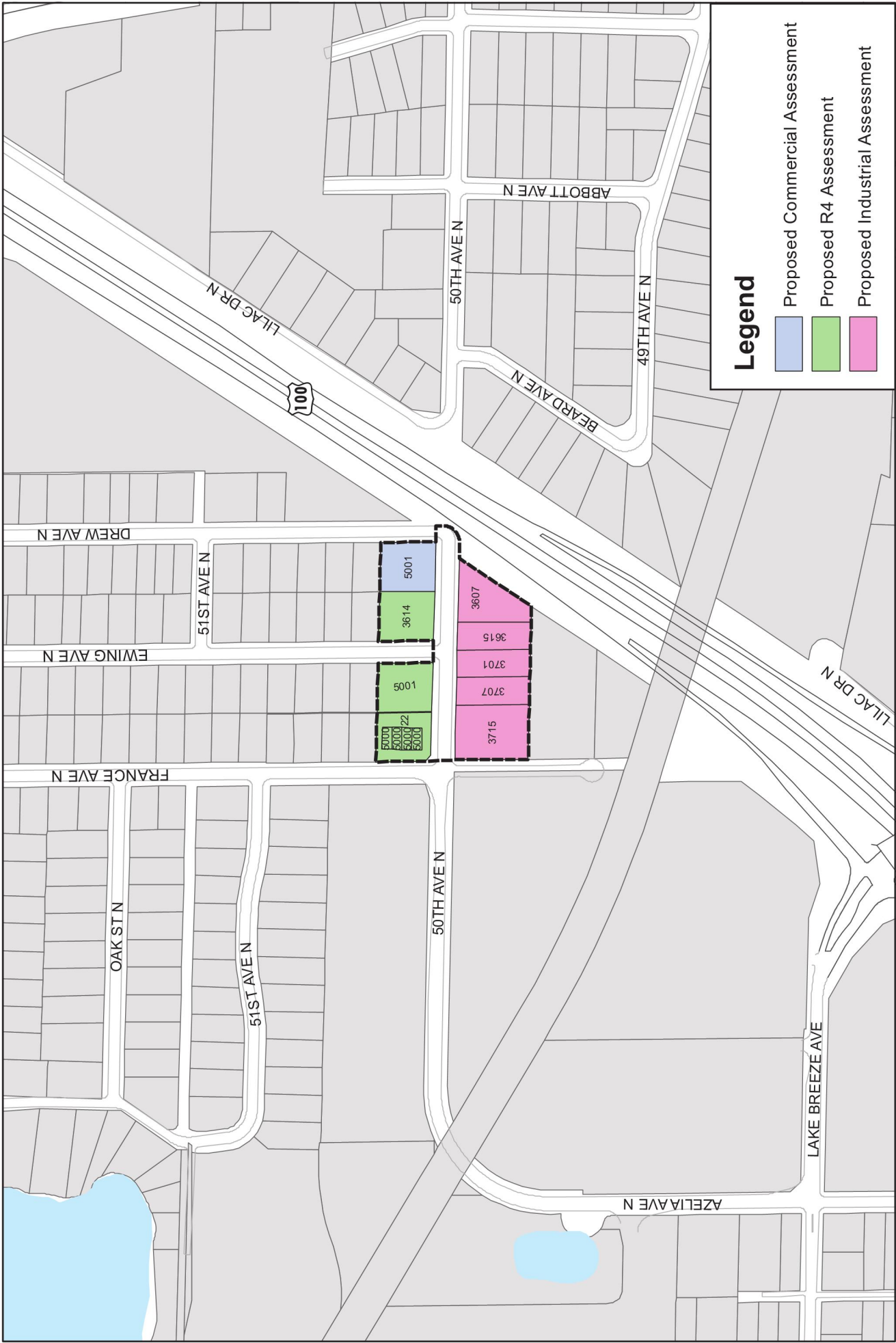
ATTEST: _____
City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by member

and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.



August 2022

Assessment Map 50th Avenue Street and Utility Improvements



CITY OF BROOKLYN CENTER FINAL ASSESSMENT ROLL

February 6, 2023

**2023 50TH AVENUE IMPROVEMENTS
IMPROVEMENT PROJECT NO. 2023-02**

PROPERTY ID	HOUSE	STREET NAME	LEVY#	STREET	NOTES
1011821130059	3607	50th Ave N		\$ 9,308.25	Industrial I2 (A) 21,687.45 sf (B) 0 sf
1011821130051	3614	50th Ave N		\$ 4,340.24	Multi Family R4 (A) 10,112.40 sf (B) 0 sf
1011821130083	3615	50th Ave N		\$ 6,440.16	Industrial I2 (A) 15,005.04 sf (B) 0 sf
1011821130061	3701	50th Ave N		\$ 6,440.25	Industrial I2 (A) 15,005.04 sf (B) 0 sf
1011821130062	3707	50th Ave N		\$ 6,440.16	Industrial I2 (A) 15,005.03 sf (B) 0 sf
1011821130080	3715	50th Ave N		\$ 6,445.30	Industrial I2 (A) 15,017.01 sf (B) 0 sf
1011821130073	5000	France Ave N; Unit D		\$ 1,056.47	Multi Family R4 - Split between 4 units (A) 2,461.49 sf (B) 0 sf
1011821130074	5000	France Ave N; Unit C		\$ 1,056.47	Multi Family R4 - Split between 4 units (A) 2,461.49 sf (B) 0 sf
1011821130075	5000	France Ave N; Unit B		\$ 1,056.47	Multi Family R4 - Split between 4 units (A) 2,461.49 sf (B) 0 sf
1011821130076	5000	France Ave N; Unit A		\$ 1,056.47	Multi Family R4 - Split between 4 units (A) 2,461.49 sf (B) 0 sf
1011821130003	5001	Drew Ave N		\$ 4,343.16	Commercial C1 (A) 10,119.21 sf (B) 0 sf
1011821130042	5001	Ewing Ave N		\$ 4,282.27	Multi Family R4 (A) 9,977.32 sf (B) 0 sf
Total Assessments				\$ 52,265.67	

Council Regular Meeting

DATE: 2/13/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: Elizabeth Heyman, Director of Public Works

BY: Ahmed Omer, P.E., City Engineer

SUBJECT: Resolution Certifying Special Assessments for Improvement Project No. 2023-03, 51st Avenue Improvements to the Hennepin County Tax Rolls

Requested Council Action:

- Motion to approve a resolution certifying special assessments for Improvement Project No. 2023-03, 51st Avenue Improvements to the Hennepin County Tax Rolls.

Background:

A public hearing is scheduled on February 13, 2023 to consider certification of proposed special assessments for street improvements for Improvement Project No. 2023-03, 51st Ave Improvements. All potentially affected property owners have been notified by mail of the date of the assessment public hearing and the amount of proposed special assessments.

I. Explanation of Improvements

The proposed project includes roadway and utility improvements for 51st Avenue North from 185 feet south of Oak Street on Twin Lake Boulevard to France Avenue. The project was previously established by the City Council on July 25, 2022, by Resolution 2022-71. On September 26, 2022, the City Council received the project feasibility report and called for a public hearing to be held on October 24, 2022, to consider these improvements.

The project feasibility report provides a description of recommended improvements for the neighborhood and an estimated project budget. The proposed improvements are as follows:

1. **Street Improvements** – Partial street reconstruction which includes full depth pavement replacement, miscellaneous repairs of concrete curb and gutter and driveway aprons, bituminous trail replacement, and boulevard restoration.
2. **Storm Drainage Improvements** - The recommended storm sewer improvements include replacing catch basin castings as necessary within the project areas, and replacing or repairing catch basins and laterals where necessary or impacted by other utility work.
3. **Water Main Improvements** - The recommended water main improvements include replacement the valve and hydrant (the moving parts) of the water main system as these parts tend to wear and fail prior to the remainder of the water main system.

II. Summary of Assessments

Special assessments are proposed as one of several funding sources for the improvements located on 51st Avenue. The 2023 special assessment rates for street improvements will be established in accordance with the City's Special Assessment Policy. The 2023 rates were established by the City Council on November 14, 2022.

Assessments for Partial Street Reconstruction

The standard 2023 residential street assessment rate is estimated to be \$3,806 per R1 zoned residential property.

Appeals wrocess

If an appeal for a specific property is filed with district court, the City Attorney will advise the City Council of options for handling the dispute and potential litigation issues. Currently, staff is not aware of any substantive objection and recommends approval accordingly.

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Once an assessment roll is adopted by the City Council, the owner of each property has the following payment options:

1. Pay the entire amount of the special assessment, without interest, between April 15 and September 30, 2023.
2. From October 1, 2023, to the end of the business day on November 17, 2023, a property owner may pay the total assessment, with interest calculated from October 1, 2023, to the date of payment.
3. A property owner may pay the assessment over a 10-year period. The first payment will be due with taxes in 2024. The total principal will be payable in annual installments. Interest at 3.5 percent is paid on the unpaid balance.
4. Partial prepayments (such as paying half now and certifying the balance) are not allowed.

III. Recommended Council Procedure

~~wu~~lic Hearing for Special Assessments: Staff recommends that a presentation be provided to the City Council prior to holding the assessment public hearing. Following the presentation, a public hearing to consider certification of proposed special assessments for street improvements should be conducted to receive public comments. The attached resolution certifying special assessments for street improvements for Improvement Project No. 2023-03 to the Hennepin County tax rolls is provided for City Council consideration upon closing of the public hearing.

Budget Issues:

The proposed street and utility improvements are included in the 2023 Capital Improvement Program. The total project cost is estimated to be \$ 380,000. Funding sources for the project are budgeted from sources as described in the project feasibility report previously accepted by the City Council on September 26, 2022. The special assessment rates were adopted by the City Council on November 14, 2022, and funding source amounts that are included in the feasibility report are:

	Feasibility Report (9/19/22)	Amended (11/7/22)
Special Assessments	\$ 97,850.00	\$ 95,150.00
Sanitary Sewer Utility Fund	\$ 10,000.00	\$ 10,000.00
Water Utility Fund	\$ 10,000.00	\$ 10,000.00
Storm Drainage Utility Fund	\$ 70,000.00	\$ 70,000.00
Street Light Utility Fund	\$ 20,000.00	\$ 20,000.00
Street Reconstruction Fund	\$ 172,150.00	\$ 174,850.00
Total	\$ 380,000.00	\$ 380,000.00

Inclusive Community Engagement:

Staff conducted a public informational meeting with residents and property owners on September 15, 2022. An Improvement Public Hearing was held on October 24, 2022 to receive public comments pertaining to the proposed improvements. On November 3, 2022 staff conducted an on-site informational meeting with residents and property owners.

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

Key Transportation Investments

ATTACHMENTS:

Description	Upload Date	Type
Resolution	2/6/2023	Resolution Letter
Assessment Map	2/6/2023	Exhibit
Levy Roll	2/6/2023	Exhibit

Member _____ introduced the following resolution and moved
its adoption:

RESOLUTION NO. _____

RESOLUTION CERTIFYING SPECIAL ASSESSMENTS FOR IMPROVEMENT
PROJECT NO. 2023-03, 51ST AVENUE IMPROVEMENTS TO THE HENNEPIN
COUNTY TAX ROLLS

WHEREAS, pursuant to proper notice duly given as required by law, the City Council has met, heard and passed upon all objections to the proposed Special Assessment Levy No. 22141; and

WHEREAS, assessment rolls, copies of which are attached hereto and part hereof by reference, have been prepared by the City Engineer and City Clerk, tabulating those properties where street improvement costs are to be assessed.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brooklyn Center, Minnesota that:

1. Such proposed assessments, Special Assessment Levy No. 22141 for street improvements, made a part hereof, are hereby accepted and shall constitute special assessments against lands named therein, and each tract of land therein included is hereby found to be benefited by the improvement in the amount of the assessments levied against it.
2. Such assessments shall be payable in equal annual installments extending over a period of ten (10) years as indicated on the assessment roll. The first of the installments shall be payable with ad valorem taxes in 2024, and shall bear interest on the entire assessment at the rate of 3.5 percent per annum from October 1, 2023, through December 31, 2024. To each subsequent installment when due shall be added interest for one year on all unpaid installments.
3. The owner of any property so assessed may at any time prior to certification of assessment to the County Auditor pay the whole assessment, to the City Treasurer, without interest, if entire assessment is paid on or before September 30, 2023. After September 30, 2023, he or she may pay the total assessment, plus interest. Interest will accumulate from October 1, 2023, through the date of payment. Such payment must be made by the close-of-business November 17, 2023, or interest will be charged through December 31 of the succeeding year. If the owner wishes to pay off the balance at some point in the future, such payment must be made before November 15 or interest will be charged through December 31 of the succeeding year.

RESOLUTION NO. _____

4. The City Clerk shall forthwith transmit a certified duplicate of this assessment to the County Auditor to be extended on the proper tax lists of the county, and such assessments shall be collected and paid over in the same manner as other municipal taxes.

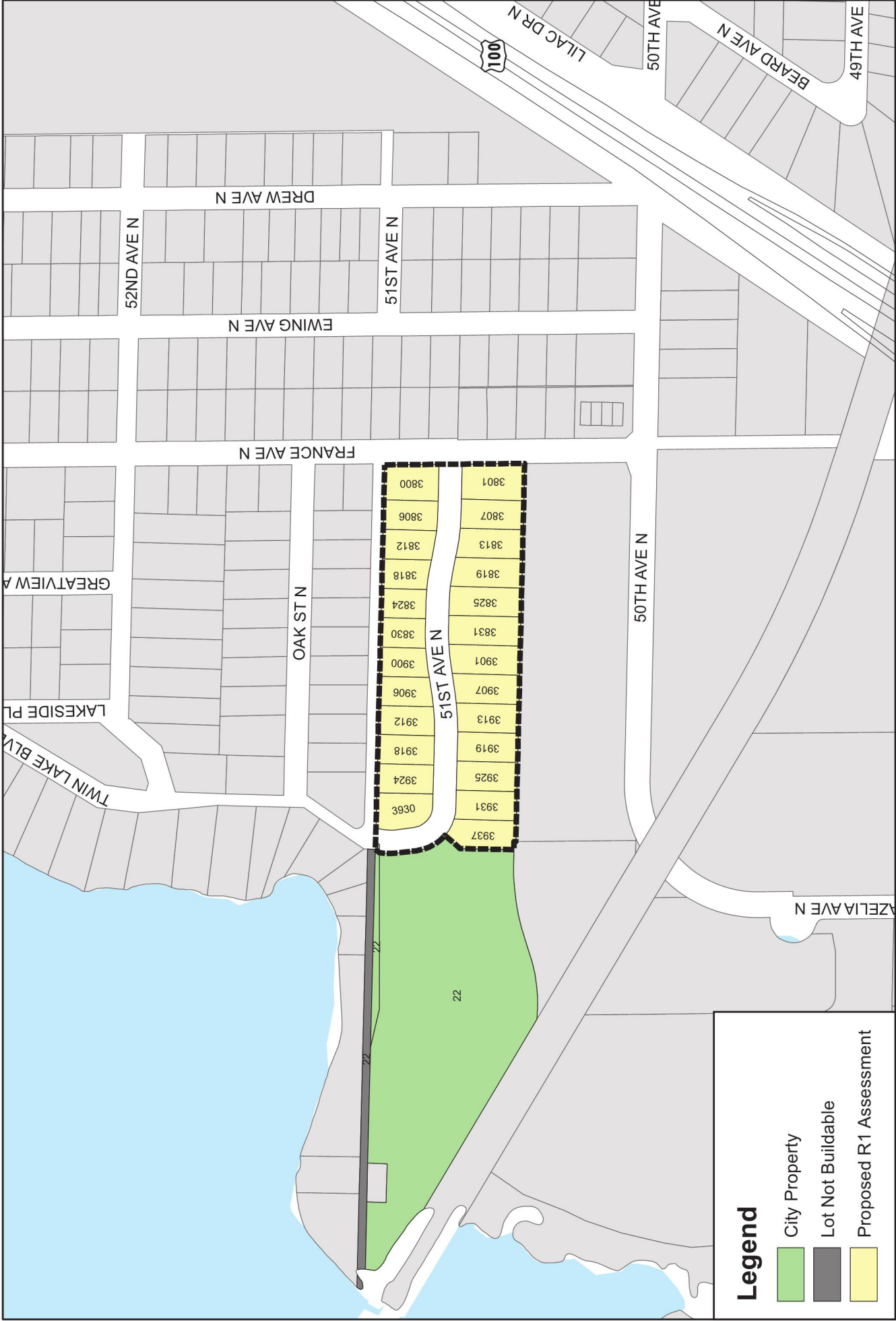
Date

Mayor

ATTEST: _____
City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by member
and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:
whereupon said resolution was declared duly passed and adopted.



Assessment Map

51st Avenue Street and Utility Improvements



CITY OF BROOKLYN CENTER FINAL ASSESSMENT ROLL

February 6, 2023

**2023 51ST AVENUE IMPROVEMENTS
IMPROVEMENT PROJECT NO. 2023-03**

PROPERTY ID	HOUSE	STREET NAME	LEVY#	STREET	NOTES
1011821240006	3800	51st Ave N		\$ 3,806.00	R1 - Corner
1011821240018	3801	51st Ave N		\$ 3,806.00	R1 - Corner
1011821240007	3806	51st Ave N		\$ 3,806.00	R1
1011821240019	3807	51st Ave N		\$ 3,806.00	R1
1011821240008	3812	51st Ave N		\$ 3,806.00	R1
1011821240020	3813	51st Ave N		\$ 3,806.00	R1
1011821240009	3818	51st Ave N		\$ 3,806.00	R1
1011821240021	3819	51st Ave N		\$ 3,806.00	R1
1011821240010	3824	51st Ave N		\$ 3,806.00	R1
1011821240022	3825	51st Ave N		\$ 3,806.00	R1
1011821240011	3830	51st Ave N		\$ 3,806.00	R1
1011821240023	3831	51st Ave N		\$ 3,806.00	R1
1011821240012	3900	51st Ave N		\$ 3,806.00	R1
1011821240024	3901	51st Ave N		\$ 3,806.00	R1
1011821240013	3906	51st Ave N		\$ 3,806.00	R1
1011821240025	3907	51st Ave N		\$ 3,806.00	R1
1011821240014	3912	51st Ave N		\$ 3,806.00	R1
1011821240026	3913	51st Ave N		\$ 3,806.00	R1
1011821240015	3918	51st Ave N		\$ 3,806.00	R1
1011821240027	3919	51st Ave N		\$ 3,806.00	R1
1011821240016	3924	51st Ave N		\$ 3,806.00	R1
1011821240028	3925	51st Ave N		\$ 3,806.00	R1
1011821240017	3930	51st Ave N		\$ 3,806.00	R1
1011821240029	3931	51st Ave N		\$ 3,806.00	R1
1011821240030	3937	51st Ave N		\$ 3,806.00	R1
Total Assessments				\$ 95,150.00	

Council Regular Meeting

DATE: 2/13/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: Elizabeth Heyman, Director of Public Works

BY: Ahmed Omer, P.E., City Engineer

SUBJECT: Resolution Certifying Special Assessments for Improvement Project No. 2023-01, 5th, James, and 54th Area Improvements to the Hennepin County Tax Rolls

Requested Council Action:

- Motion to approve a resolution certifying special assessments for Improvement Project No. 2023-01, Knox, James, and 54th Area Improvements to the Hennepin County Tax Rolls.

Background:

A public hearing is scheduled on February 13, 2023 to consider certification of proposed special assessments for street improvements for Improvement Project No. 2023-01, 5th, James, and 54th Area Improvements. All potentially affected property owners have been notified by mail of the date of the assessment public hearing and the amount of proposed special assessments.

I. Explanation of Improvements

The proposed project includes roadway and utility improvements extend from 70th Avenue to James Avenue, and from 3rd Avenue to 5th Avenue. The project was previously established by the City Council on July 26, 2022, by Resolution 2022-64. On September 26, 2022, the City Council received the project feasibility report and called for a public hearing to be held on October 26, 2022, to consider these improvements.

The project feasibility report provides a description of recommended improvements for the neighborhood and an estimated project budget. The proposed improvements are as follows:

1. **Street Improvements** – Partial street reconstruction which includes full depth pavement replacement, miscellaneous repairs of concrete curb and gutter and driveway aprons, and boulevard restoration.
2. **Storm Drainage Improvements** - The recommended storm sewer improvements include replacing catch basin castings as necessary within the project areas, and replacing or repairing catch basins and laterals where necessary or impacted by other utility work.
3. **Water Main Improvements** - The recommended water main improvements include replacement the valve and hydrant (the moving parts) of the water main system as these parts tend to wear and fail prior to the remainder of the water main system.

II. Summary of Assessments

Special assessments are proposed as one of several funding sources for the improvements located on Snodgrass, James, and Fifth. The 2023 special assessment rates for street improvements will be established in accordance with the City's Special Assessment Policy. The 2023 rates were established by the City Council on November 1st, 2022.

Assessments for Partial Street Reconstruction

The standard 2023 residential street assessment rate is estimated to be \$3,906 per R1 zoned residential property.

The properties that are zoned R2 would be assessed based on a frontage basis with a \$3,906 per lot minimum in accordance with the 2023 assessment rates. Staff recommends that the assessment rate for all R2 properties within the project should be capped at \$3,906 because the benefits from the street improvement for R2 properties are similar to the single family R1 residential properties within the project area.

Appeals process

If an appeal for a specific property is actually filed with district court, the City Attorney will advise the City Council of options for handling the dispute and potential litigation issues. Currently, staff is not aware of any substantive objection and recommends approval accordingly.

Payment Options Available to Property Owners

Once an assessment roll is adopted by the City Council, the owner of each property has the following payment options:

1. Pay the entire amount of the special assessment, without interest, between April 1st and September 30, 2023.
 2. From October 1, 2023, to the end of the business day on November 1st, 2023, a property owner may pay the total assessment, with interest calculated from October 1, 2023, to the date of payment.
 3. A property owner may pay the assessment over a 10-year period. The first payment will be due with taxes in 2024. The total principal will be payable in annual installments. Interest at 3.5 percent is paid on the unpaid balance.
- ff. Partial prepayments (such as paying half now and certifying the balance) are not allowed.

III. Recommended Council Procedure

Public Hearing for Special Assessments: Staff recommends that a presentation be provided to the City Council prior to holding the assessment public hearing. Following the presentation, a public hearing to consider certification of proposed special assessments for street improvements should be conducted to receive public comments. The attached resolution certifying special assessments for street improvements for Improvement Project No. 2023-01 to the Hennepin County tax rolls is provided for City Council consideration upon closing of the public hearing.

Budget Issues:

The proposed street and utility improvements are included in the 2023 Capital Improvement Program. The total project cost is estimated to be \$ 1,100,000. Funding sources for the project are budgeted from

sources as described in the project feasibility report previously accepted by the City Council on September 26, 2022. The special assessment rates were adopted by the City Council on November 1ff, 2022, and funding source amounts that are included in the feasibility report are:

	Feasibility Report (4/14/22)	Amended (11/K/22)
Special Assessments	\$ 266,1fi2.00	\$ 2fi9,909.00
Sanitary Sewer Utility Fund	\$ 30,000.00	\$ 30,000.00
Water Utility Fund	\$ 100,000.00	\$ 100,000.00
Storm Drainage Utility Fund	\$ 2fi0,000.00	\$ 2fi0,000.00
Street Reconstruction Fund	\$ fi23,9ff9.00	\$ fi31,142.00
Total	\$1,1K0,000.00	\$ 1,1K0,000.00

Inclusive CommunitWEngagement:

StaL conducted a public informational meeting with residents and property owners on September 1fi, 2022. An Improvement Public Hearing was held on October 2ff, 2022 to receive public comments pertaining to the proposed improvements.

Antiracist/EquitWwolicWEffect:

N/A

Strategic wriorities and Values:

5ey Transportation Investments

ATTACHMENTS:

Description	Upload Date	Type
Resolution	2/6/2023	Resolution 7etter
Assessment Map	2/6/2023	Exhibit
7evy Roll	2/6/2023	Exhibit

Member _____ introduced the following resolution and moved
its adoption:

RESOLUTION NO. _____

RESOLUTION CERTIFYING SPECIAL ASSESSMENTS FOR IMPROVEMENT
PROJECT NO. 2023-01, KNOX, JAMES, AND 54TH AREA IMPROVEMENTS TO
THE HENNEPIN COUNTY TAX ROLLS

WHEREAS, pursuant to proper notice duly given as required by law, the City Council has met, heard and passed upon all objections to the proposed Special Assessment Levy No. 22139; and

WHEREAS, assessment rolls, copies of which are attached hereto and part hereof by reference, have been prepared by the City Engineer and City Clerk, tabulating those properties where street improvement costs are to be assessed.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brooklyn Center, Minnesota that:

1. Such proposed assessments, Special Assessment Levy No. 22139 for street improvements, made a part hereof, are hereby accepted and shall constitute special assessments against lands named therein, and each tract of land therein included is hereby found to be benefited by the improvement in the amount of the assessments levied against it.
2. Such assessments shall be payable in equal annual installments extending over a period of ten (10) years as indicated on the assessment roll. The first of the installments shall be payable with ad valorem taxes in 2024, and shall bear interest on the entire assessment at the rate of 3.5 percent per annum from October 1, 2023, through December 31, 2024. To each subsequent installment when due shall be added interest for one year on all unpaid installments.
3. The owner of any property so assessed may at any time prior to certification of assessment to the County Auditor pay the whole assessment, to the City Treasurer, without interest, if entire assessment is paid on or before September 30, 2023. After September 30, 2023, he or she may pay the total assessment, plus interest. Interest will accumulate from October 1, 2023, through the date of payment. Such payment must be made by the close-of-business November 17, 2023, or interest will be charged through December 31 of the succeeding year. If the owner wishes to pay off the balance at some point in the future, such payment must be made before November 15 or interest will be charged through December 31 of the succeeding year.

RESOLUTION NO. _____

4. The City Clerk shall forthwith transmit a certified duplicate of this assessment to the County Auditor to be extended on the proper tax lists of the county, and such assessments shall be collected and paid over in the same manner as other municipal taxes.

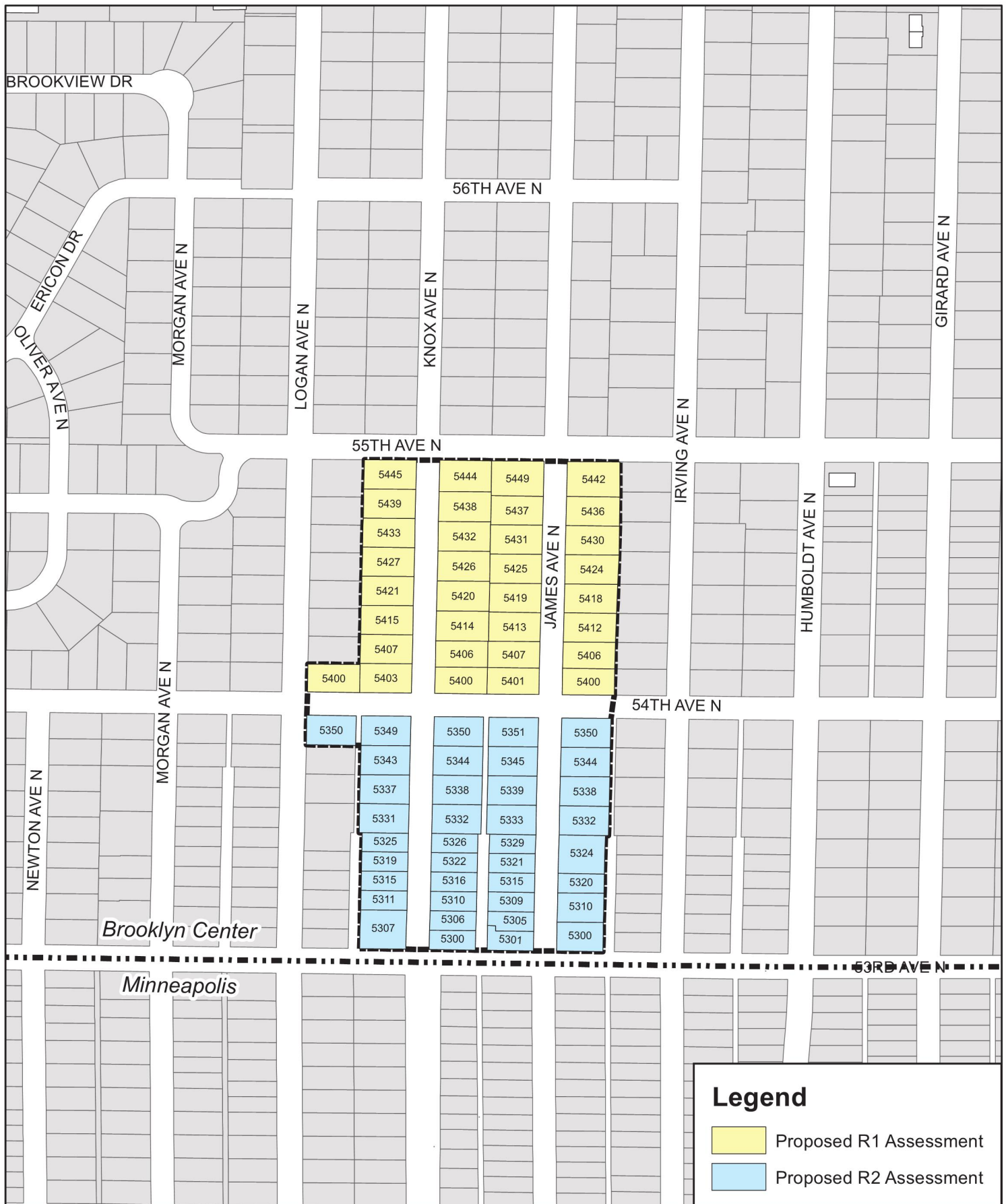
Date

Mayor

ATTEST: _____
City Clerk

The motion for the adoption of the foregoing resolution was duly seconded by member
and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:
whereupon said resolution was declared duly passed and adopted.



Assessment Map Knox, James & 54th Street and Utility Improvements



CITY OF BROOKLYN CENTER FINAL ASSESSMENT ROLL

February 2, 2023

2023 KNOX, JAMES & 54TH AREA IMPROVEMENTS

IMPROVEMENT PROJECT NO. 2023-01

PROPERTY ID	HOUSE	STREET NAME	LEVY#	STREET	NOTES
0211821440050	5300	James Ave N		\$ 3,806.00	R2 - Corner
0211821440054	5301	James Ave N		\$ 3,806.00	R2 - Corner
0211821440055	5305	James Ave N		\$ 3,806.00	R2
0211821440056	5309	James Ave N		\$ 3,806.00	R2
0211821440051	5310	James Ave N		\$ 3,806.00	R2
0211821440057	5315	James Ave N		\$ 3,806.00	R2
0211821440052	5320	James Ave N		\$ 3,806.00	R2
0211821440058	5321	James Ave N		\$ 3,806.00	R2
0211821440053	5324	James Ave N		\$ 3,806.00	R2
0211821440059	5329	James Ave N		\$ 3,806.00	R2
0211821440108	5332	James Ave N		\$ 3,806.00	R2
0211821440099	5333	James Ave N		\$ 3,806.00	R2
0211821440109	5338	James Ave N		\$ 3,806.00	R2
0211821440098	5339	James Ave N		\$ 3,806.00	R2
0211821440110	5344	James Ave N		\$ 3,806.00	R2
0211821440097	5345	James Ave N		\$ 3,806.00	R2
0211821440111	5350	James Ave N		\$ 3,806.00	R2
0211821440096	5351	James Ave N		\$ 3,806.00	R2
0211821440090	5400	James Ave N		\$ 3,806.00	R1
0211821440093	5401	James Ave N		\$ 3,806.00	R1
0211821440091	5406	James Ave N		\$ 3,806.00	R1
0211821440092	5407	James Ave N		\$ 3,806.00	R1
0211821440125	5412	James Ave N		\$ 3,806.00	R1
0211821440131	5413	James Ave N		\$ 3,806.00	R1
0211821440124	5418	James Ave N		\$ 3,806.00	R1
0211821440130	5419	James Ave N		\$ 3,806.00	R1
0211821440123	5424	James Ave N		\$ 3,806.00	R1
0211821440129	5425	James Ave N		\$ 3,806.00	R1
0211821440122	5430	James Ave N		\$ 3,806.00	R1
0211821440128	5431	James Ave N		\$ 3,806.00	R1
0211821440121	5436	James Ave N		\$ 3,806.00	R1
0211821440127	5437	James Ave N		\$ 3,806.00	R1
0211821440120	5442	James Ave N		\$ 3,806.00	R1 - Corner
0211821440060	5300	Knox Ave N		\$ 3,806.00	R2 - Corner
0211821440061	5306	Knox Ave N		\$ 3,806.00	R2
0211821440066	5307	Knox Ave N		\$ 3,806.00	R2 - Corner
0211821440062	5310	Knox Ave N		\$ 3,806.00	R2
0211821440067	5311	Knox Ave N		\$ 3,806.00	R2
0211821440068	5315	Knox Ave N		\$ 3,806.00	R2
0211821440063	5316	Knox Ave N		\$ 3,806.00	R2
0211821440069	5319	Knox Ave N		\$ 3,806.00	R2
0211821440064	5322	Knox Ave N		\$ 3,806.00	R2
0211821440070	5325	Knox Ave N		\$ 3,806.00	R2
0211821440065	5326	Knox Ave N		\$ 3,806.00	R2
0211821440006	5331	Knox Ave N		\$ 3,806.00	R2
0211821440100	5332	Knox Ave N		\$ 3,806.00	R2
0211821440005	5337	Knox Ave N		\$ 3,806.00	R2
0211821440101	5338	Knox Ave N		\$ 3,806.00	R2

CITY OF BROOKLYN CENTER FINAL ASSESSMENT ROLL

February 2, 2023

**2023 KNOX, JAMES & 54TH AREA IMPROVEMENTS
IMPROVEMENT PROJECT NO. 2023-01**

PROPERTY ID	HOUSE	STREET NAME	LEVY#	STREET	NOTES
0211821440004	5343	Knox Ave N		\$ 3,806.00	R2
0211821440102	5344	Knox Ave N		\$ 3,806.00	R2
0211821440003	5349	Knox Ave N		\$ 3,806.00	R2
0211821440103	5350	Knox Ave N		\$ 3,806.00	R2
0211821440094	5400	Knox Ave N		\$ 3,806.00	R1
0211821440022	5403	Knox Ave N		\$ 3,806.00	R1
0211821440095	5406	Knox Ave N		\$ 3,806.00	R1
0211821440023	5407	Knox Ave N		\$ 3,806.00	R1
0211821440015	5414	Knox Ave N		\$ 3,806.00	R1
0211821440021	5415	Knox Ave N		\$ 3,806.00	R1
0211821440014	5420	Knox Ave N		\$ 3,806.00	R1
0211821440020	5421	Knox Ave N		\$ 3,806.00	R1
0211821440013	5426	Knox Ave N		\$ 3,806.00	R1
0211821440019	5427	Knox Ave N		\$ 3,806.00	R1
0211821440012	5432	Knox Ave N		\$ 3,806.00	R1
0211821440018	5433	Knox Ave N		\$ 3,806.00	R1
0211821440011	5438	Knox Ave N		\$ 3,806.00	R1
0211821440017	5439	Knox Ave N		\$ 3,806.00	R1
0211821440010	5444	Knox Ave N		\$ 3,806.00	R1 - Corner
0211821440016	5445	Knox Ave N		\$ 3,806.00	R1 - Corner
Total Assessments				\$ 258,808.00	

Council Regular Meeting

DATE: 2/13/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: N/A

BY: Angela Holm, Finance Director

SUBJECT: Resolution Authorizing Continuation of Municipal Liquor Operations in the City of Brooklyn Center

Requested Council Action:

- Motion to Approve a Resolution Authorizing the Continuation of the City's Municipal Liquor Operations.

Background:

The Office of the State Auditor issues a report on Municipal Liquor Operations each year which summarizes the operational results of municipal liquor operations statewide. The report provides a mechanism for City officials to make comparisons of their operations with similar size operations across the state, as well as providing information for the public and policymakers to evaluate the financial condition of the operations. There are 179 cities in Minnesota that operate municipal liquor establishments. Of that 179, there are eighteen in the Seven-County Metro Area. Brooklyn Center currently operates stores in two locations. One is owned and operated by the City and the other occupies rental space within a small "strip mall".

Minnesota state statute 340A.602 requires that the City Council of any city with a municipal liquor operation that sustains net losses in any two of three consecutive years hold a public hearing regarding continuation of the operation. In 2020 and 2021, the City's municipal liquor operation sustained net losses due primarily to the impact of COVID-19 business interruptions and losses sustained during the localized civil unrest surrounding the killing of Daunte Wright. Some of these losses were recovered through insurance payments and while customer traffic and sales were slow post-pandemic, there has been a positive increase in both over the last several months.

Due to increased traffic and sales, City staff believe the operational losses are transient in nature and barring any unforeseen circumstances will not continue. Staff is recommending continuing the City's municipal liquor operations.

Budget Issues:

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

Operational Excellence

ATTACHMENTS:

Description

Resolution

Upload Date

2/9/2023

Type

Resolution Letter

Member introduced the following resolution and moved its adoption:

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE CONTINUATION OF MUNICIPAL LIQUOR OPERATIONS IN THE CITY OF BROOKLYN CENTER

WHEREAS, The City of Brooklyn Center lawfully owns and operates two municipal liquor stores as defined by Minnesota Statute 340A.601 ; and

WHEREAS, The Minnesota Office of the State Auditor issues an annual Analysis of Municipal Liquor Store Operations; and

WHEREAS, The State Auditor issued the report for the Year Ended December 31, 2020 on October 28, 2021 in which municipal liquor operations in the City of Brooklyn Center showed a net loss of \$107,001 for 2020; and

WHEREAS, The State Auditor issued the report for the Year Ended December 31, 2021 on December 15, 2022 in which municipal liquor operations in the City of Brooklyn Center showed a net loss of \$51,171 for 2021; and

WHEREAS, Minnesota Statute 340A.602 requires that the City Council, shall, in any city in which the report of the operations of a municipal liquor store has shown a net loss in any two of three consecutive years, hold a public hearing on the question of whether the city shall continue to operate a municipal liquor store; and

WHEREAS, municipal liquor operations in the City of Brooklyn Center experienced unusual and extenuating circumstances related to the national COVID-19 pandemic and localized civil unrest after the killing of Daunte Wright which negatively impacted operational results and resulted in net financial losses during the two time periods under review; and

WHEREAS, municipal liquor store sales have substantially recovered in 2022,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brooklyn Center, Minnesota, this resolution authorizing continuation of municipal liquor operations is approved.

February 13, 2023

Date

Mayor

ATTEST: _____

City Clerk

RESOLUTION NO. _____

The motion for the adoption of the foregoing resolution was duly seconded by member
and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:
whereupon said resolution was declared duly passed and adopted.

AGENDA



ACTIVE DISCUSSION ITEMS

1. Community Development Block Grant Funding Allocation Discussion (20 minutes)

- It is recommended that the City Council provide direction to staff on the allocation of CDBG funding. Staff will then prepare a resolution and hold a public hearing on February 27, 2023.

PENDING LIST FOR FUTURE WORK SESSIONS

1. Upcoming Items
 - Grant Discussion (*referred to Financial Commission*)
 - Special Assessment Policy/Franchise Fees (*referred to Financial Commission*)
 - Emerald Ash Borer Policy Review (*referred to Park & Rec Commission*)
 - Community-Wide Survey
 - Memorial Policy (*referred to Park & Rec Commission*)
 - Establishing a Beautification and Public Art Commission
 - Establishing a Safety Violence Prevention Commission
 - Liquor Store 2 - (*March*)
 - 252/94 Report - (potential separate work session)
 - Organizational Chart
 - Rental License Review (*referred to Park & Rec Commission*)
 - Tenant Protection Data presentation
 - THC Moratorium
 - RFP Criminal Attorney

Council/EDA Work Session

DATE: 2/13/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: N/A

BY: Jesse Anderson, Interim Community Development Director

SUBJECT: Community Development Block Grant Funding Allocation Discussion (20 minutes)

Requested Council Action:

- It is recommended that the City Council provide direction to staff on the allocation of CDBG funding. Staff will then prepare a resolution and hold a public hearing on February 27, 2023.

Background:

City Staff is seeking direction from the City Council on the allocation of 2023-2024 Community Development Block Grants (CDBG) funds.

CDBG funds are provided by the U.S. Department of Housing and Urban Development (HUD) to help with community development activities that benefit low and moderate income persons. The funds are primarily intended for bricks and mortar improvements, as opposed to public service activities.

Hennepin County receives CDBG funds directly from HUD as part of a consolidated pool of funds, which is administered on behalf of participating suburban Hennepin County communities. Bloomington, Eden Prairie, Minnetonka and Plymouth do not participate in the consolidated pool and receive CDBG funds directly from HUD. Brooklyn Center is considered a Direct Allocation City and is a sub-recipient of the funds through Hennepin County.

CDBG Statutory and Administrative Requirements

The Federal Authorizing Statute for the CDBG program requires that each funded CDBG activity meet one of three national objectives:

1. Benefiting low income persons
2. Preventing or eliminating slums and/or blight
3. Meeting urgent community needs.

The Federal Law also specifies that each recipient receiving funds must insure at least 70 percent of the CDBG expenditures during the program year be used for activities benefiting low and/or very low income persons. Each city must meet this requirement at the local level.

As part of the administration of the CDBG funds, Hennepin County adopts a 5-year funding plan, which further defines the priority needs of the program and clarifies what activities are eligible for funding. Last year Hennepin County adopted a new [5-year funding plan](#). Overall, the priority needs are around continuing what's working, while shifting the focus to preserving affordable and reducing disparities in housing stability.

These include:

Priority Need 1: Preserve & Create Rental Opportunities

Priority Need 2: Preserve & Create Homeowners Opportunities

Priority Need 3: Housing Opportunities for Homeless Populations

Priority Need 4: Support Education, Outreach, and Services

Priority Need 5: Encourage Neighborhood Revitalization

Priority Need 6: Stimulate Economic Development

Because Hennepin County is responsible for the monitoring and reporting of the CDBG funds, the County oversees the use of funds within the consolidated pool. Cities that wish to diverge from the typical use of funds must seek permission from the County.

Prior to 2018, cities were allowed to allocate up to 15 percent of their CDBG funding to public services. While Brooklyn Center regularly did so, other communities chose not to. In addition, the reporting requirements for the funds are onerous, and the County determined that it would be easier to pool the public service allocation and administer the distribution of those funds internally. Each city is now asked to send a representative to a committee, which reviews public service funding requests and makes a determination as a whole as to which public service organizations get funding and how much.

Funding Allocation Options

Housing Rehab Program - As CDBG funds are the only source of funding to maintain the City's existing single family housing stock, one option would be to increase the allocation of CDBG funds to this use. 86 percent of Brooklyn Center's housing supply is single family homes, nearly all of which were constructed prior to 1975. Many of these homes are in need of maintenance, and for low income home owners this cost can be overly burdensome. Maintaining the city's housing stock through this program not only provides stable home ownership for low income home owners, but also maintains an affordable housing stock for new buyers as well. Further this wait list for this program had continued to grow, the current wait list is 241. Further, due to restructuring at Hennepin County, the program is able to accommodate an increase in application processing.

Down Payment Assistance - Brooklyn Center allocated \$100,000 towards home buyer assistance with the 2020 and 2021 CDBG funding. The City is contracting with Center for Energy and Environment (CEE) to administer the program. The city has had 10 down payment loans closed.

Staff have increased advertising of this program and coordinated through CEE and PRG. Mailers have gone out to all rental properties in the city, there has been outreach to local businesses, as well as information shared with Brooklyn Center Schools. There has been an increase in loans closed in 2022 with 7 loans closing in 2022. The number of restrictions on this program due to it being federally funded, combined with the City's restrictions, and the limited supply of home for sale in Brooklyn Center has continued to eliminate most applicants prior to them submitting an application. A review of the MLS listing for Brooklyn Center on January 30, 2023 provided that there were only 10 single family homes actively available for purchase. Currently, the program has \$165,000 in funds available from 2020, and 2021 allocations.

Scattered site acquisition/rehab - The scattered site acquisition is done in New Hope. It is similar to the City's previous buy and replace program. It allows for the purchase and renovation or demo of a blighted structure, which is then sold to a low/moderate income household. The individual cost per unit is high, minimizing the impact of this program.

Infrastructure improvements - These are physical improvements to community or public facilities that are utilized by low and moderate income residents. Some cities have use CDBG funds to purchase play ground equipment or make other physical improvements. One challenge with the use of CDBG funds in this manner is that it triggers Federal Fair Wage standards, which require a significant amount of reporting and paperwork, and increasing the cost of the project above what it would be if other funds were available, making small scale improvements more work and more expensive than the value of the funding being used.

Small Business Entrepreneur Funding - Options for using CDBG funds for programs to support the creation/support of small businesses were discussed with Hennepin County staff. HUD rules

allow for CDBG funds to be used in this manner under certain circumstances, specifically to support job creation. According to Hennepin County staff, use of the funds requires demonstrated job creation over an extended amount of time. Not unlike other uses of CDBG funds, it requires extensive reporting, which falls on individual small business owners and monitoring is required over a number of years. Federal funding often comes with stringent reporting and monitoring requirements, which can create a barrier. Alternatively, the city's EDA funds may be a better mechanism to serve small businesses as the funds can be more nimbly applied.

Recommendation:

The 2023 CDBG funding for Brooklyn Center is anticipated to be \$204,441. Staff's recommendation is to continue to pause the use of new CDBG funds for the Down Payment Assistance Program and recommended allocation of the entire amount towards the Home Rehab Program due to the high number of applicant on the waiting list (241). It is recommended that the down payment assistance program remain in place, but consider adding funds in the next round of funding when previous funds are spent down.

The housing study did affirm the use of funds for home rehab and down payment assistance should be a priority.

Based on City Council's direction a resolution will be prepared and a public hearing will be scheduled for the February 27, 2023 City Council Meeting.

Budget Issues:

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

Resident Economic Stability

ATTACHMENTS:

Description	Upload Date	Type
DPA Guidelines	2/6/2023	Backup Material
Hennepin county Rehab Q4 Report	2/6/2023	Backup Material

**City of Brooklyn Center
Homebuyer Program Guidelines**

Program Overview

The City of Brooklyn Center offers a financial assistance program for homeownership funded by the Community Development Block Grant (CDBG) program. The Homebuyer Program provides financial assistance for low and moderate income households to become homeowners.

Administration of the Homebuyer Program and the functions and responsibilities shall be in compliance with the U.S. Department of Housing and Urban Development (HUD), CDBG regulations as well as all Federal, State and local nondiscrimination laws and with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment.

No family or individual shall be denied the equal opportunity to apply for or receive assistance under the First Time Homebuyer Program on the basis of race, color, gender, religion, creed, national origin, age, familial or marital status, handicap or disability, sexual orientation or reliance on public assistance.

Program Goals

The Homebuyer Program has the following two goals:

- a. Assist low and moderate income families to purchase homes within the City of Brooklyn Center by providing assistance with down payment, closing costs and mortgage principle reduction.
- b. Promote responsible home ownership

Program Administration

The program will be administered through Center for Energy and Environment.

Program Policies

Financial Assistance

The financial assistance is in the form of a loan of up to \$10,000, but no more than 10% of the purchase price. There is no interest on the loan and no payments are required. The loan is forgiven after 10 years and is reduced by 20% each year after the 5th year. If the home is sold, the title transferred or no longer owner-occupied within the first 10 years after the purchase date, then the remaining pro-rated amount will be become due.

The Financial Assistance may be used to:

1. Pay up to 50% of the amount the homebuyer is required to provide toward the down payment under the particular mortgage program they are utilizing. The homebuyer must contribute a minimum of \$1,000 of their own funds towards the down payment.
2. Pay up to 100% of the homebuyer's eligible closing costs. Borrowers are permitted to use program funds for interest rate buy downs if documentation is provided from the lender that shows the buy down is necessary to secure their primary mortgage.

3. Reduce the mortgage principal up to 10% of the purchase price, up to \$10,000. The applicant(s) housing ratio cannot exceed 35% of their gross monthly qualifying income. The housing ratio is calculated using the current year's projected income. Under certain circumstances, the HRA Executive Director may allow the DTI to exceed 35%.

The financial assistance will be provided at a minimum amount of \$5,000 and a maximum amount of \$10,000. In certain situations, the City may allow assistance in excess of the maximum at their discretion. The Center for Energy and Environment will review the applicant's verified income and assets, estimated closing costs, purchase agreement and lender's recommendations for financial assistance in compliance with uses described above. Lenders must provide a pre-approval letter indicating the maximum amount of financing the borrower would qualify for from the first mortgage lender.

The Center for Energy and Environment will verify an applicant's income and assets through written verifications as provided by either the lender or by the applicant. The City staff may re-verify income and asset information provided by the lender. The Center for Energy and Environment will calculate the applicant's gross annual income using lender verification or paystubs and recent tax returns or other qualifying verification as determined by City staff to ensure the applicant(s) qualifies as a low or moderate income household as required by CDBG regulations and to determine the maximum amount of assistance.

Financial assistance will be provided at the time of closing on the property with the following conditions:

1. Selected applicants must meet the requirements of the program and be eligible for the financial assistance throughout the entire application process.
2. The housing unit to be purchased and the purchase price must be accepted by the City as meeting the intent and requirements of the program.
3. The financial assistance provided by the program is in the form of a no-interest loan that is forgiven 10 years from the initial purchase date. If the house is sold, transferred or no longer the primary place of residence within that 10 year period, the loan will be repaid on a pro-rated basis.
4. The homebuyers must enter into a second mortgage and execute a Repayment Agreement with the City providing for repayment of the indebtedness 10 years from the initial purchase date or when the house is sold, transferred or no longer the primary place of residence, whichever occurs first.

Responsibilities Homebuyer

The responsibilities of the prospective homebuyers are to:

1. Obtain mortgage pre-qualification for a 1st mortgage.
2. Submit a pre-application and mortgage pre-qualification to CEE.
3. Complete, sign and return the full application packet, authorization for release of information form and other certification and verification forms within the time frame specified.
4. First Time Homebuyers must register and attend the Home Stretch or Framework – Homebuyers workshop such as those offered by Community Action Partnership of Hennepin

County (CAP-HC), Neighborhood Development Alliance (NeDA), NeighborWorks Home Partners, or PRG Inc. More information about homebuyer education can be found online at: <http://www.hocmn.org/buyingahome/homebuyer-education/>. Classes must have been completed within 12 months prior to closing. The applicant will be provided with a certificate of attendance. A copy of this certificate should be forwarded to the lender and the CEE. The Homebuyers are not required to be a First Time Homebuyer.

5. Select a real estate agent, if one is desired.
6. Select a dwelling in Brooklyn Center for purchase that is an eligible dwelling under the program.
7. Provide information throughout the process as required by the lender or the City staff.
8. Execute the purchase agreement that includes the Environmental Review addendum supplied by Hennepin County, and any subsequent Amendments.
9. Execute the lender's mortgage and related documents.
10. Execute the City's mortgage, loan agreement and promissory note.
11. Close on the property within the time frame specified in the purchase agreement.
12. Execute other required forms within the time frame specified or required.
13. Take occupancy of the dwelling within 30 days after closing, homestead the property and continue to occupy the dwelling as a principal place of residence.
14. Make principal, interest, property tax and insurance payments as required.
15. Reimburse the City in accordance with the City's mortgage, loan agreement, and promissory note should the first time homebuyer trigger repayment through sale, moving, transfer of ownership or foreclosure within 10 years or default on any other terms of these documents.

Responsibilities of the Lender

The lender must:

1. Verify the prospective homebuyer's income and assets to determine that they meet the requirements of the program and submit a copy of the verification to the CEE. These copies must be submitted to the CEE as part of a completed application.
2. Compute the mortgage, down payment, mortgage payments and closing costs of acceptable loans approved by the program to determine the most cost-effective and appropriate form of financing for the homebuyer to use.
3. Provide a title search and review the documents.
4. Provide CEE with a pre-approval letter stating the maximum mortgage amount the applicant is approved for.
5. Provide CEE other verification materials as requested by the City.

6. Process a mortgage consistent with the program.
7. Meet all deadlines in a timely fashion, especially those that relate to the closing. **All documents must be completed at least 14 days prior to the closing and be delivered to CEE at least seven days before the closing.**
8. Appraise property to determine the loan-to-value ratio. Provide copy to CEE.

Responsibilities of the City:

The responsibilities of the HRA for the program are to:

1. Establish Program requirements.
2. Modify or terminate the program as may be appropriate or required.
3. Reimburse CEE as needed throughout the program year.

Responsibilities of the Center for Energy and Environment:

The responsibilities of the HRA for the program are to:

1. Administer the program.
2. Send applicants the application form, the authorization for release of information form and other certification and verification forms.
3. Review the application and other material for eligibility.
4. Establish the initial eligibility of participants via the information provided in the pre-application process. Full approval will be determined upon completion and submission of a full application and supporting documents.
5. Notify applicants when ineligible.
6. Direct prospective buyers to register for the homebuyer workshops and provide information and forms related to the program.
7. Provide liaison services involving the prospective buyer, lender and any real estate agent that might be involved in the transaction.
8. Review appraisal, purchase agreement, eligibility and mortgage for consistency with the program requirements.
9. Prepare and execute the city mortgage, loan agreement, and promissory note.
10. Provide financial assistance according to program guidelines to the applicant at the time of closing.
11. Service the city mortgage, loan agreement, and promissory note.
12. Request reimbursement to the City as needed.

13. Provided income documentation relating to CDBG reporting requirements.

Pre-Application Process

At the time of application, applicants must provide CEE with the following information and meet the eligibility requirements:

1. Names and ages of all household members who will occupy the purchased property.
2. Address and telephone numbers.
3. Total gross annual income documentation.
4. Letter from lender indicating the amount of a home loan for which applicant is pre-qualified.
5. Authorization for release of information/data privacy signed by all adults in the household.

The information listed above will provide CEE sufficient information to determine if the applicant is eligible for the Program. The pre-application must be submitted **prior** to the execution of a purchase agreement. Applicants will be notified of their eligibility based on the information provided in the pre-application.

It is the responsibility of each applicant to ensure that the information is correct and that CEE receives the application.

Eligibility Requirements

To be eligible to participate in the program, the applicant must meet the following requirements at the time of application and throughout the process up until closing.

1. Residency Requirements must meet one of the following:
 - a. Must work in Brooklyn Center
 - b. Have a family member who attends school in Brooklyn Center
 - c. Own a business in Brooklyn Center
 - d. Currently a resident of Brooklyn Center
2. Must not have a gross annual Income that exceeds the maximum income limits which are revised annually to reflect the current year's CDBG maximum income limits. Income is calculated using prior year tax returns and verified by most recent paystubs. For information on calculating income, please contact a Brooklyn Center Housing Specialist.

FY 2021 Income Limits	
Calculated as 80% of the Area Median Income. Source: https://www.hudexchange.info/resource/5334/cdbg-income-limits/	
Household Size	Household Income Limit
1 Person Household	\$54,950
2 Person Household	\$62,800
3 Person Household	\$70,650
4 Person Household	\$78,500
5 Person Household	\$84,800
6 Person Household	\$91,100
7 Person Household	\$97,350
8 Person Household	\$103,650

3. Must not have gross assets exceeding \$10,000, excluding retirement savings.
4. Borrowers are required to invest at least \$1,000 of their own monies towards the purchase price of the home.
5. Must meet the requirements of a lender and qualify for a first mortgage.
6. Loan must be a fixed-rate, prime loan. No adjustable or balloon mortgages.
7. Must fulfill the program obligations in a timely manner and must remain eligible to participate based on the program requirements and those of the lender through the time of closing.
8. Must not have a previous loan through the City that ended in foreclosure or any other loan that ended in foreclosure within the previous five years.
9. Must not buy dwelling with a contract for deed.
10. Must not have ownership interest in another property at time of purchase.

Denial of Eligibility

CEE will review and verify all applications for eligibility. Those applicants not meeting the eligibility requirements will be sent a written notice explaining the reason(s) for denial of program participation.

Appeals regarding interpretation of eligibility requirements may be made in writing, first to the Deputy Director of Community Development for the city of Brooklyn Center, then to the Director of Community

Development and then to the City Manager. Appeals that clearly do not meet eligibility requirements will not be considered.

Eligible Dwellings

To be eligible, the property must meet the following requirements:

1. Be located within the City of Brooklyn Center.
2. Be a single-family dwelling, a townhouse unit, duplex or a condominium unit.
3. Be a conforming use property as defined by the Brooklyn Center Zoning Ordinance.

Applicant Outreach

The City and CEE will publicize and disseminate information to make known the availability of homeownership assistance on a regular basis through a variety of media and other suitable means. The availability of assistance will be communicated to other services providers, realtors and lenders in the community and advise them of the guidelines so that they can make proper referrals for the program. Realtors and lenders will be encouraged to provide additional services to eligible clients to ensure their successful utilization of the program.

Applicant Pool

The applicant pool for the program shall consist of all those who have completed and returned to CEE a pre-application form, written verification from their lender of pre-approval and who have acknowledged that they will meet the eligibility requirements.

Funds will be available to the applicant pool on a first come, first serve basis. Eligible applicants will be approved for funding when they or their lender notify CEE of the applicant's approved purchase agreement and the full application packet is completed and returned. If funding is limited, and more than one applicant is at the purchasing stage, CEE will provide funding to the applicant who qualifies for the most preference points.

Preference points have been established to meet the goals of the City. Each preference category is worth one (1) point. The maximum points any one household could receive is five (5) points. Households with the highest point totals will be selected first. In the event of a tie, a drawing or lottery will be held to rank the applicants within each of the preference categories.

Applicant with dependents under age 18.

Applicant has lived in Brooklyn Center longer than 6 months prior to closing.

Head or co-head of household have primary, longer-term employment in Brooklyn Center.

Applicant has never owned a home (versus having owned a home over three years ago).

Approval from the applicant pool is tentative and conditional. Families selected for participation must fulfill the program obligations in a timely manner and must remain eligible to participate based on the program requirements and those of the lender through the time of closing.

Repayment of Assistance

Repayment of the down payment assistance loan shall occur upon the earliest of:

1. Sale or transfer
2. The property ceases for any reason to be the homebuyer's principal place of residence.
3. Default on the mortgage with the City or any superior mortgage on the property.

Repayment of the loan shall be pro-rated, with the principal amount due reduced by 20% for each year after 5 years of the homeowner's tenancy in their Brooklyn Center home, as established by the loan date on the filed mortgage with the HRA.

AGE OF LOAN	AMOUNT OF PRINCIPAL LOAN AMOUNT DUE
0 - 1 year	100 % of principal loan amount due
1 - 2 year	100 % of principal loan amount due
2 - 3 years	100 % of principal loan amount due
3 - 4 years	100 % of principal loan amount due
4 - 5 years	100 % of principal loan amount due
5 - 6 years	100 % of principal loan amount due
6 - 7 years	80% of principal loan amount due
7 - 8 years	60% of principal loan amount due
8 - 9 years	40% of principal loan amount due
9 - 10 years	20% of principal loan amount due
10+ years	0% due, Loan Fully forgiven

When a loan made by the City is paid in full or forgiven, a document satisfying the lien will be prepared by CEE, executed by the City Manager or his or her delegate and delivered to the borrower for recording. The borrower is responsible for the cost of recording the satisfaction. Contact the Community Development Department for more information about repayment of a City loan.

Subordination of Mortgages

Brooklyn Center City loan recipients requesting subordination of the interest of the City in real property must submit a Subordination Request Form, the required supporting documentation, and a processing fee. Request should be made to CEE.

The following information must be submitted with the Subordination Request Form:

1. A typed letter dated and signed by the mortgagor, stating the reason for the requested subordination and the use of any equity being removed as part of the loan transaction.
2. A copy of the current appraisal (dated within six months of application) or other evidence of market value of the property that is acceptable to the HRA.

3. A copy of current title work (must indicate all debt against the property).
4. Explanation of remaining debts or liens with supporting documentation (i.e. most recent mortgage bill).
5. Estimated closing costs/settlement statement, where applicable.
6. A copy of the mortgagor's loan application.
7. Additional documentation may be required.

The City will subordinate its mortgage interest if all of the following conditions are met, to the extent that they are applicable:

1. Closing costs are reasonable. Generally this shall mean that the sum of all discount points, origination fees and lender ancillary fees shall not exceed 3% of the new first mortgage amount.
2. If the City believes that the payment terms of the refinance are within the financial means of the borrower.
3. The overall value of superior debt must not be increased by more than 50%.
4. Property taxes, if not escrowed by the superior mortgage holder, must be current.

The City will not subordinate to reverse mortgages. In most cases, interest-only loans or loans with interest-only options, revolving lines of credits or debt consolidation will not be allowed unless the City determines that an acceptable reason warrants this type of loan.

The City may approve other subordination requests not meeting the conditions above on a case-by-case basis that are clearly in the best interests of the City, where the security of the City loan remains acceptable and denial of the request will cause or contribute to a documented hardship on the part of the borrower.

Subordination requests will be processed by CEE staff, who will submit the request with a recommendation for action, to the City. The City Manager has the authority to grant a subordination request when, based on his or her discretion, the subordination is reasonable based on the criteria set forth in this Policy.

Targeted Funding

At various times, the City may target program funding for purchases in specific developments. Applicants purchasing in those developments would receive program funding prior to all other applications.

Modification and Termination of Program

The City may modify or terminate the program as it deems appropriate or as required by HUD. Once the City has provided financial assistance and the mortgage executed, financial assistance shall not be rescinded except as provide for in the executed HRA mortgage, loan agreement, and promissory note.

APPENDIX A

DEFINITIONS

Acceptable Loans – Portfolio Products, Freddie Mac, Fannie Mae, FHA, VA and ARM's that at a minimum are at a fixed rate for the first seven years.

Applicant – an individual or household submitting an application for a loan.

Application – The form used to request assistance for the City's First Time Homebuyer funds.

ARM or Adjustable Rate Mortgage – a mortgage that offers an initial rate that is fixed for a certain number of years of repayment; the rate then adjusts every year thereafter for the remaining life of the loan.

CEE – The Center for Energy and Environment, which administers the City's First Time Homebuyer Program.

CDBG or Community Development Block Grant Program – an annual entitlement program provided to the City of Brooklyn Center through the U. S. Department of Housing and Urban Development (HUD).

City – The City of Brooklyn Center.

Clearance – A lead based paint Certification that all lead issues have been remediated.

Closing – The consummation of the real estate transaction. The closing includes the delivery of a deed, financial adjustments the signing of notes, mortgages, and the disbursement of funds necessary to complete the sale and loan transaction.

Closing Costs – Those costs required by the lender to be paid by the buyer for various fees, credit report costs, insurance, etc., at the time of closing on a property.

Conventional Mortgage – A type of residential mortgage loan, usually from a bank or savings and loan association, with a fixed rate and term. It is repayable in fixed monthly payments over a period usually 30 – 40 years or less, secured by real property, and not insured by the Federal Housing Administration or guaranteed by the Veterans Administration.

Down Payment – A type of payment made by a homebuyer, indicating intention to purchase real estate offered for sale and obtain financing from a bank or mortgage company.

Environmental Review – The process of verifying that a project meets Federal, State and Local environmental standards. The environmental review process is required for all HUD-assisted projects to ensure that the proposed project does not negatively impact the surrounding environment and that the property site itself will not have an adverse environmental or health effect on end users. Hennepin County staff is responsible for the completion of the environmental review.

Environmental Review Addendum – An addendum to the purchase agreement that states an Environmental Review will be completed by Hennepin County prior to closing. The addendum must be a part of the original purchase agreement in order to be valid. **Environmental Reviews take approximately 45 days to be completed by Hennepin County.**

Fannie Mae or Federal National Mortgage Association – A privately owned and operated corporation that buys mortgages from such lenders as banks and savings and loans, packages and resells them on the open market.

FHA or Federal Housing Administration – A Federal agency that administers many loan programs, loan guarantee programs, and loan insurance programs designed to make more housing available.

Gross Annual Income – The gross annual Income of a household for the purposes of this program is defined for purposes of reporting under Internal Revenue Service Form 1040 for individual Federal annual income tax purposes as per 24 CFR 570.3 Income (1)(iii).

Gross Assets – The current market value of the following minus existing indebtedness: *(Typically, it does not include 401K funds, pensions or other deferred compensation funds.)*

1. Cash on hand.
2. Cash in checking accounts.
3. Cash in savings accounts, including accounts held in trust.
4. Investment securities (government bonds, municipal bonds).
5. Stocks.
6. Certificate of deposits and annuities.

Guidelines – The set of standards, criteria and specifications to be used in administering the program.

Household – All persons residing in one housing unit; which may include one or more families, a single person, a married couple or two or more unrelated persons.

Housing Counselor – A person who provides direct customer services, primarily to groups, individuals, households seeking information and assistance with housing issues.

Housing Ratio - The percentage of income that goes toward housing costs including mortgage principal and interest, mortgage insurance premium, hazard insurance premium, property taxes, and homeowners association dues (when applicable).

HUD or U. S. Department of Housing and Urban Development – The principal federal agency responsible for implementing certain federal housing and community development programs.

Income - The amount of money or its equivalent received during a period of time, in exchange for labor or services from the sale of goods or property, or as profit from financial investments.

Lead Risk Assessment – A report that describes the health risk assessment, management process, estimates of the costs of recovery and summaries of possible defensive measures required per HUD regulation CFR Part 35: Lead Based Paint Regulations.

Lender – Individual or firm that extends money to a borrower with the expectation of being repaid, usually with interest.

Loan Estimate – Document disclosing the approximate closing costs a mortgage applicant will pay at or before the mortgage settlement date.

Low Income Household – A household whose annual income does not exceed the low income limit as established by HUD with adjustments for smaller and larger families.

Minnesota Housing – The Minnesota Housing Finance Agency; a Minnesota State agency that administers a variety of first time homebuyer loan programs.

Moderate Income Household – A household whose annual income does not exceed 80 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families.

Mortgage – The conveyance of an interest in real property given as security for the payment of a loan.

Principal Place of Residence – To occupy the home as the primary residence on a permanent basis.

Program – The City's First Time Homebuyer Program.

Promissory Note – A written instrument containing a promise by the signer to pay an agreed amount.

Purchase Agreement – An agreement between buyer and seller of real property, setting forth the price, and terms of the sale; Also known as a sales contract.

Reducing the Mortgage Principal Amount – A method of benefitting the buyer through the use of a portion or all of the HRA provided financial assistance to lower the mortgage principle amount. In effect, this assistance acts as a larger down payment and helps to reduce the monthly mortgage payments. The available amount of assistance is up to 10% of the purchase price to a maximum of \$7,500. The buyer's housing ratio must be between 25% and 35%.

Satisfaction of Mortgage – A document releasing a mortgage lien, indicating the borrower has paid the debt in full.

Second Mortgage – A loan on a property that already has an existing mortgage (the first mortgage). The second mortgage is subordinate to the first.

VA Loan – Department of Veterans Affairs, providing below-market financing with no down payment to veterans of the U.S. Armed Services.

HENNEPIN COUNTY REHABILITATION LOAN PROGRAM QUARTERLY REPORT

October 1, 2022 to December 31, 2022

Total Funds Spent	Projects Completed	Loans Approved	Amount Approved	Applicants in Loan Process	Funds Reserved for Applicants	Residents waiting	Funds Not Committed	Program Income	Year to Date			
									Funds Spent	Projects Completed	Loans Approved	Amount Approved
\$ 47,478	1	3	\$ 72,000	5	\$ 150,000	241	\$ 20,616	\$ -	\$ 99,652	2	9	\$ 28,000
\$ 73,729	4	6	\$ 127,000	9	\$ 170,000	377	\$ 41,971	\$ 29,985	\$ 173,190	12	15	\$ 40,000
\$ 85,074	2	3	\$ 90,000	7	\$ 190,000	295	\$ 19,409	\$ 32,221	\$ 186,510	9	12	\$ 42,000
\$ -	0	0	\$ -	2	\$ 60,000	8	\$ 18,753	\$ -	\$ -	0	1	\$ 9,000
\$ 23,640	2	1	\$ 25,000	4	\$ 100,000	11	\$ 25,170	\$ 769	\$ 88,848	3	4	\$ 17,000
\$ 2,588	1	0	\$ -	1	\$ 30,000	53	\$ 11,082	\$ -	\$ 8,249	2	0	\$ 0
\$ 18,417	2	6	\$ 90,000	8	\$ 120,000	70	\$ 42,084	\$ 32,739	\$ 87,024	8	8	\$ 15,000
\$ 47,192	0	2	\$ 60,000	2	\$ 60,000	27	\$ 30,073	\$ -	\$ 92,122	2	3	\$ 19,000
\$ 31,809	2	3	\$ 90,000	6	\$ 180,000	96	\$ 16,188	\$ -	\$ 101,466	5	6	\$ 23,000
\$ 37,053	1	3	\$ 90,000	5	\$ 140,000	101	\$ 31,860	\$ -	\$ 140,466	5	5	\$ 25,000
\$ 366,979	15	27	\$ 644,000	49	\$ 1,200,000	1279	\$ 257,206	\$ 95,714	\$ 977,526	48	63	\$ 2,216,000

Council/EDA Work Session

DATE: 2/13/2023

TO: City Council

FROM: Dr. Reggie Edwards, City Manager

THROUGH: N/A

BY: Dr. Reggie Edwards, City Manager

SUBJECT: Upcoming Items

Requested Council Action:

- Grant Discussion (*referred to Financial Commission*)
- Special Assessment Policy/Franchise Fees (*referred to Financial Commission*)
- Emerald Ash Borer Policy Review (*referred to Park & Rec Commission*)
- Community-Wide Survey
- Memorial Policy (*referred to Park & Rec Commission*)
- Establishing a Beautification and Public Art Commission
- Establishing a Safety Violence Prevention Commission
- Liquor Store 2 - (*March*)
- 252/94 Report - (potential separate work session)
- Organizational Chart
- Rental License Review (*referred to Park & Rec Commission*)
- Tenant Protection Data presentation
- THC Moratorium
- RFP Criminal Attorney

Background:

Budget Issues:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values: